5 top priorities

for companies to ensure a customer focused way of working.

21%

PLAN TO INCREASE FOCUS ON EXISTING CUSTOMERS

18%

PLAN TO GET THE MANAGEMENT ONBOARD

22%

PLAN TO MAKE MORE DATA-DRIVEN DECISIONS ON CUSTOMER INSIGHTS

19%

PLAN TO DELIVER BETTER CUSTOMER EXPERIENCE

22%

PLAN TO CREATE CROSS-FUNCTIONAL TEAMS

The age of the customer is upon us.

Is your brand becoming customer-obsessed?

The 1900s through the 1960s was known as the Age of Manufacturing. The 1990s through the 2000s was called the Age of Information. For the next several decades, businesses will be adapting to the Age of the Customer.

Forrester Research marks the beginning of the Age of the Customer at 2010, and over the last few years, we've seen numerous brands taking action, putting the customer first in all that they do.

Think Amazon "We're not competitor obsessed, we're customer obsessed. We start with what the customer needs and we work backwards," said CEO Jeff Bezos.

While many brands pay lip service to customer-centricity, it's those like Amazon that truly are "customer-obsessed", that are already seeing

positive results. And as the CRM Barometer survey shows Swedish companies are planning to ensure a customer centric way of working by increasing focus on existing customers, planning to make more data-driven decisions on customer insights and to introduce cross-functional teams into their organizations. All great initiatives that will drive customer satisfaction.

We can clearly see that the CRM departments' customer focus has spread and now affects the entire organization and with this report we hope to inspire the CX & CRM community to lead the way towards a customer obsessed organization.

Enjoy. Let's get customer obsessed!

Oskar Klingberg
CEO, Wiraya

About CRM Barometer:

The CRM Barometer is an industry study looking at how organizations work strategically with existing customers. Wiraya organizes for the fourth consecutive year the CRM Barometer together with partners. This year we are excited to work with Swedma, Avaus, Wunderman, Re:, Relation & Brand, Recoordinate and Kaplan as the CRM Barometer goes Customer Obsessed! Our definition of CRM is that CRM is a business strategy combined with technology to effectively manage the entire customer life cycle.

Show top management the way by showing them data

One of the most important factors to succeed with customer obsession is to have the top management onboard. If they aren't, you'll soon struggle to drive through the changes you want to see.

The survey clearly shows that the most successful brands have a shared responsibility for their existing customers, it's not simply the responsibility of the CRM or marketing department. They break the silos, have an agile way of working, often in virtual teams that better respond to the customer journey.

To get your top management's attention you need to be able to show an aggregated view of what you want to do (a strategy), why (the business case) and how you're performing and progressing (with KPIs). Those that have the data and take data driven decisions are the most likely to get full support from management and increase their CRM budget.

More than half of the respondents say they will increase their CRM budget 2018, and in many of these cases the CRM budget will increase more than the marketing budget.

Having the customer's voice represented in the top management team is another success factor. The survey shows that 74% of the respondents say that the customer's voice is represented, but this still leaves 1 in 4 where it isn't.

A good way of getting your management to better understand your customers is by letting them become the customer. Let the executives sign up for your service and go through the whole customer journey themselves. It will get things rolling, guaranteed.

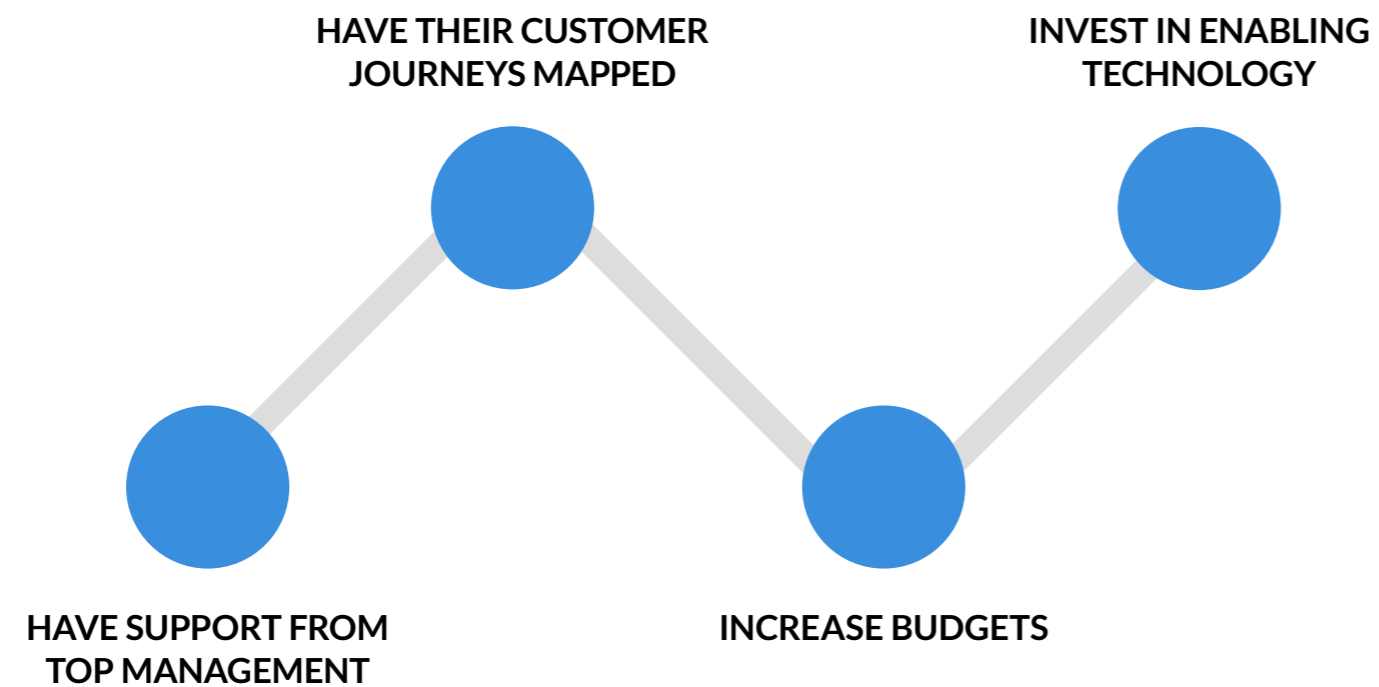**To get your management's attention you need to show:**

- Strategy

- Business case

- KPIs on performance

What stands out for those who take data driven decisions.

With organizations becoming more data driven, it's more important than ever for businesses to use detailed data to prove the value of their work, or quickly adapt if something isn't working. Overall, customer satisfaction (41%) and NPS, recommendation (39%) are the most common KPIs used to track the results of work with existing customers.

However, when looking into what the best-in-class are using as KPIs we find measurements connected to revenue such as ROI, churn rate and Customer Lifetime Value (CLV). To get your top management's attention you need to talk their language. Build your business case by showcasing numbers connecting to revenue and supporting your business model.

Characteristics of brands that make data-driven decisions, they:

HAVE THEIR CUSTOMER JOURNEYS MAPPED

INVEST IN ENABLING TECHNOLOGY

HAVE SUPPORT FROM TOP MANAGEMENT

INCREASE BUDGETS

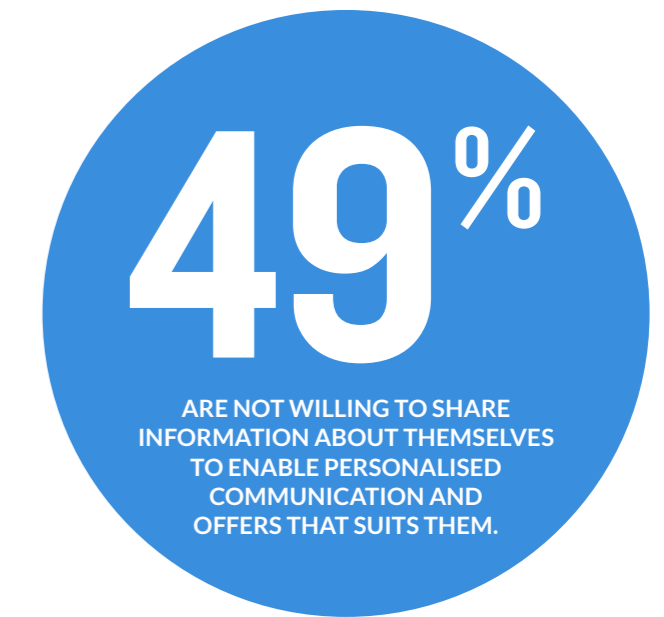# What is outstanding customer experience according to consumers vs brands?

"I expect brands to predict and solve my problems and that I as a loyal customer get the best offers."
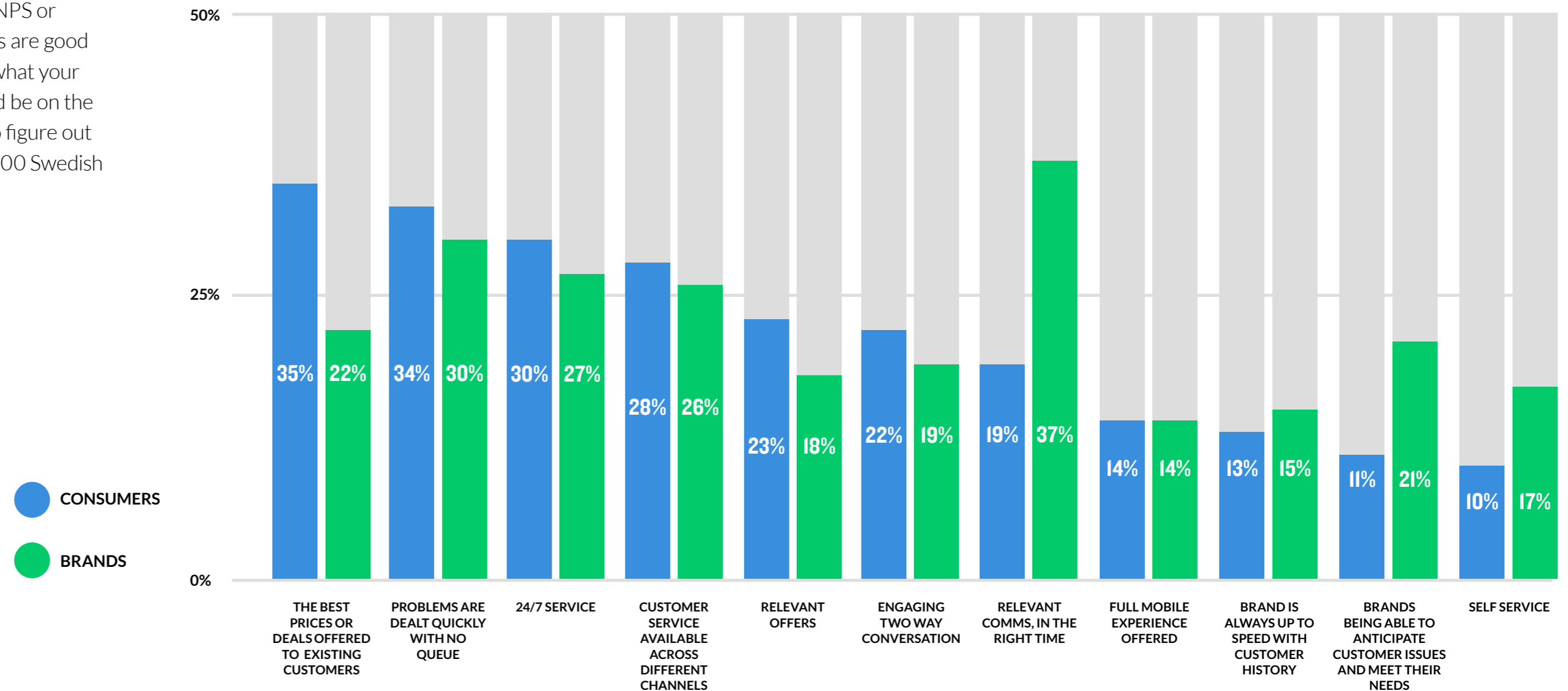
- Swedish Consumer

While many Swedish brands said "Don't know…"

Consumers and brands both agree on that customer experience is crucial to get customers to stay longer and for brands to succeed. However, the view on what consumers consider outstanding customer experience, and what brands think their consumers want, differ. The consumers want simplicity, but at the same time only half of them said they are willing to share information about themselves to enable personalized communication and offers that suits them. This makes it harder for the brands to personalize the right communication in the right time.

87% of Swedish consumers say they would leave a brand based on poor customer experience. Looking into what consumers consider outstanding customer experience it is clear brands will not be able to deliver on consumers expectations by measuring NPS or NKI alone (even though KPIs are good indicators). Understanding what your customers truly value should be on the top priority list for brands to figure out during 2018. We asked a 1000 Swedish consumers what they want.
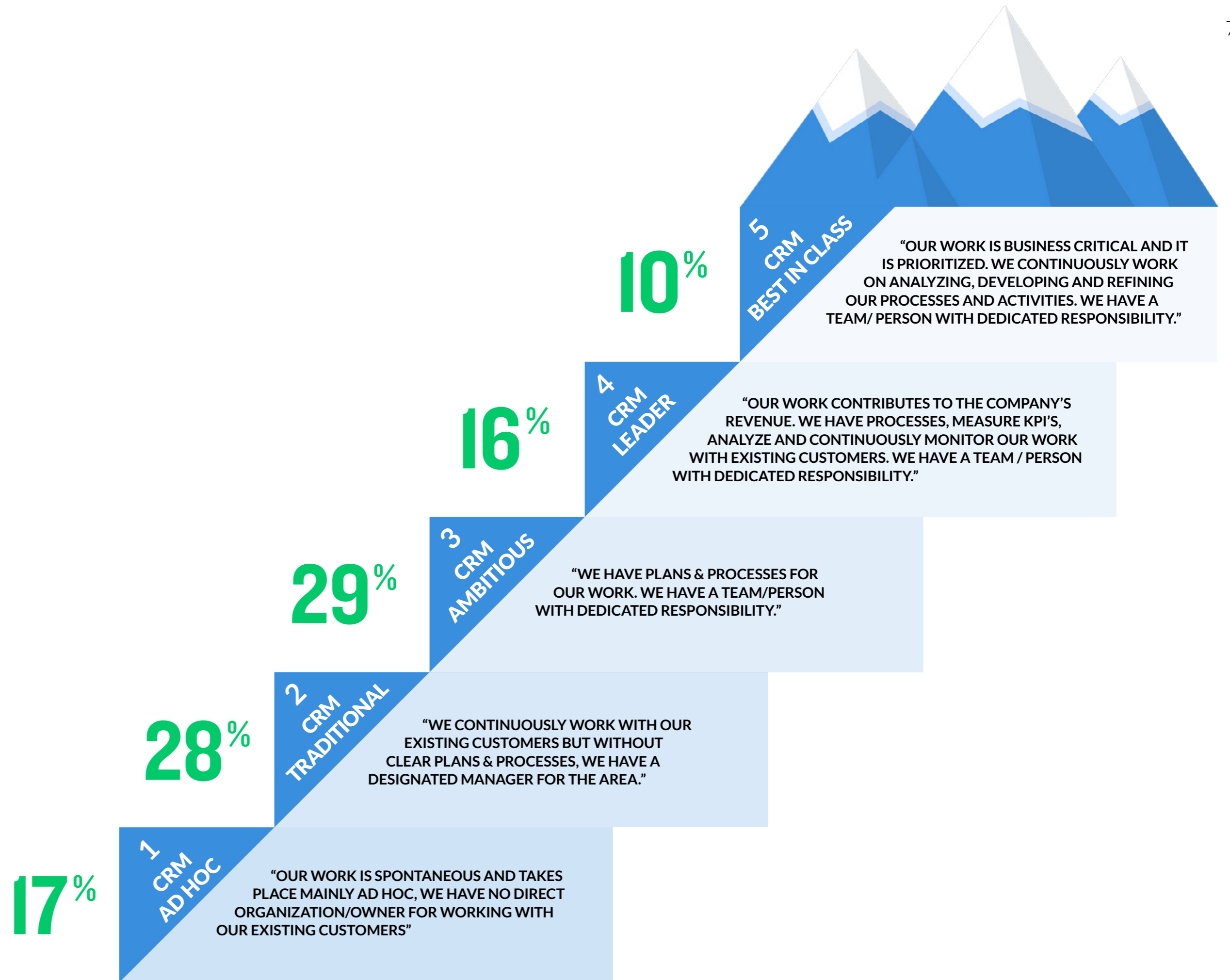
87% OF SWEDISH CONSUMERS SAY THEY WOULD LEAVE A BRAND BASED ON POOR CUSTOMER EXPERIENCE.

49% ARE NOT WILLING TO SHARE INFORMATION ABOUT THEMSELVES TO ENABLE PERSONALISED COMMUNICATION AND OFFERS THAT SUITS THEM.

What do you consider outstanding customer experience?

- 🔵 CONSUMERS
- 🟢 BRANDS

Category	Consumers	Brands
THE BEST PRICES OR DEALS OFFERED TO EXISTING CUSTOMERS	35%	22%
PROBLEMS ARE DEALT QUICKLY WITH NO QUEUE	34%	30%
24/7 SERVICE	30%	27%
CUSTOMER SERVICE AVAILABLE ACROSS DIFFERENT CHANNELS	28%	26%
RELEVANT OFFERS	23%	18%
ENGAGING TWO WAY CONVERSATION	22%	19%
RELEVANT COMMS, IN THE RIGHT TIME	19%	37%
FULL MOBILE EXPERIENCE OFFERED	14%	14%
BRAND IS ALWAYS UP TO SPEED WITH CUSTOMER HISTORY	13%	15%
BRANDS BEING ABLE TO ANTICIPATE CUSTOMER ISSUES AND MEET THEIR NEEDS	11%	21%
SELF SERVICE	10%	17%

CRM Maturity Ladder

In the survey brands have identified themselves on the CRM Maturity ladder based on their work with existing customers in areas of strategy, organization, processes, data and technology. Benchmark your own work compared to other Swedish companies!

In the following model you get a clearer understanding of the challenges and priorities facing businesses just like yours and a clear insight into the businesses who are becoming the market leaders.

10%

5
CRM
BEST IN CLASS

"OUR WORK IS BUSINESS CRITICAL AND IT IS PRIORITIZED. WE CONTINUOUSLY WORK ON ANALYZING, DEVELOPING AND REFINING OUR PROCESSES AND ACTIVITIES. WE HAVE A TEAM/ PERSON WITH DEDICATED RESPONSIBILITY."

16%

4
CRM
LEADER

"OUR WORK CONTRIBUTES TO THE COMPANY'S REVENUE. WE HAVE PROCESSES, MEASURE KPI'S, ANALYZE AND CONTINUOUSLY MONITOR OUR WORK WITH EXISTING CUSTOMERS. WE HAVE A TEAM / PERSON WITH DEDICATED RESPONSIBILITY."

29%

3
CRM
AMBITIOUS

"WE HAVE PLANS & PROCESSES FOR OUR WORK. WE HAVE A TEAM/PERSON WITH DEDICATED RESPONSIBILITY."

28%

2
CRM
TRADITIONAL

"WE CONTINUOUSLY WORK WITH OUR EXISTING CUSTOMERS BUT WITHOUT CLEAR PLANS & PROCESSES, WE HAVE A DESIGNATED MANAGER FOR THE AREA."

17%

1
CRM
AD HOC

"OUR WORK IS SPONTANEOUS AND TAKES PLACE MAINLY AD HOC, WE HAVE NO DIRECT ORGANIZATION/OWNER FOR WORKING WITH OUR EXISTING CUSTOMERS"

Ad Hoc
Step 1

"OUR WORK IS SPONTANEOUS AND TAKES PLACE MAINLY AD HOC, WE HAVE NO DIRECT ORGANISATION/OWNER FOR WORKING WITH OUR EXISTING CUSTOMERS"

Here we find most of the business-to-business (B2B) companies together with small companies. The strategic responsibility of existing customers is owned by top management together with sales departments, however, more than 25% don't have someone responsible for the operational work and there are no processes in place. They are also less likely to make data driven decisions.

Interestingly this is the group that say they are missing support from their top management team. The lack of top management support is shown in how CRM is prioritised in the budget. Only 20% of ad hoc companies allocate a separate budget for CRM and a fifth are planning to reduce CRM spend. B2C brands are lacking data-driven work methods which inhibits the amount of support senior management can offer.

Even though this level is far behind the other levels in many areas, they understand the need for change, but are lacking the tools. They realise they need to improve messages, increase budget,

competence, encourage proactive working, create better measurements and follow up. Despite this, only 2% will prioritise new marketing tech investments in 2018.

They claim the single most important task right now to ensure a customer focused way of working is to have a clear customer strategy. However, they believe that having KPIs linked to the customers' value is the least important right now.

Characteristics:

- No responsible person for existing customers
- No processes in place
- Lack data driven decisions.

Main priorities for the AD HOC level in 2018:

- Collect and improve customer data
- Map out customer journeys
- Implement a data-driven CRM strategy

1 OF 4

DOESN'T HAVE A PERSON OR TEAM RESPONSIBLE FOR OPERATIONAL WORK TOWARDS EXISTING CUSTOMERS

2 OF 3

SAY THAT THEY HAVEN'T MAPPED OUT THEIR CUSTOMER JOURNEYS

Traditional

Step 2

"WE CONTINUOUSLY WORK WITH OUR EXISTING CUSTOMERS BUT WITHOUT CLEAR PLANS & PROCESSES, WE HAVE A DESIGNATED MANAGER FOR THE AREA."

This group includes both B2B and B2C companies. Businesses are commonly mid-size brands. The majority at this level will increase spend on both marketing and CRM.

Head of CRM is responsible for existing customers and almost 70% of the companies feel that they have the full authority necessary to enhance the customer experience.

Traditional CRM companies are also most likely to feel they have the technology necessary to be able to work in a customer focused way (47%), but this may be a reflection of the fact they have the tools but not the expertise to realise the potential of platforms. For example, respondents at this level are most likely to have processes but admit the organisation does not actively follow them (44%).

They are very confident that they take data-driven decisions. The other levels are more humble and have replied partly. Digging beneath the surface, it is clear systems are still playing catch-up.

Nearly two thirds, (61%) admit they are currently in the process of integrating CRM systems and databases.

As a result, CRM traditional companies are the most likely (32%) to say the knowledge of the customer is among the key things they are missing to succeed. Little over 2 out of 3 have started mapping out their customers journeys.

In order to create a customer focused way of working this group admits to needing cross-functional teams that have the mandate to deliver better customer experiences. They recognise they need to make data-driven decisions based on customer insights and it's vital to create a customer-focused culture.

Characteristics:

- They feel supported by technology
- But they lack the knowledge of the customer
- They're willing to invest and will increase their marketing budget in 2018

Main priorities for the TRADITIONAL level in 2018:

- Focus more on existing customers than prospects

- Implement a data driven strategy

- Build a more customer centric culture

Ambitious

Step 3

"WE HAVE PLANS & PROCESSES FOR OUR WORK. WE HAVE A TEAM/PERSON WITH DEDICATED RESPONSIBILITY."

This group includes both B2B and B2C businesses but noticeably fewer B2B companies. There is a real mix of businesses from different sizes and industries within this level. Surprisingly, this group state their companies only take "somewhat data driven decisions".

Reassuringly, CRM ambitious companies tend to involve top management more (20%) in decisions around the customer and there is a significant increase in the degree to which decisions are made collaboratively (42%).

However, out of all maturity levels, CRM ambitious companies feature the highest number of respondents who believe that the customer's voice is missing in top management, indicating heightened awareness of the extent to which customer insights should power decisions.

This group is actively focused on existing customers. 35% are set on improving customer data and almost all (92%) of CRM ambitious companies

attest to having processes for engaging existing customers, although 39% admit they do not actively follow all of these.

Budget is an important factor at this level. 49% of companies plan to increase the CRM budget, although over a third (35%) are left with unchanged budgets, which could inhibit results. While technology is not the main issue for this level as they think they partly have what they need to work in a customer focused way, it's important these companies consolidate processes and focus on educating teams internally about business potential locked in their technology.

Characteristics:

- Knowledge of the customer is missing
- More focused on existing customers
- Need to involve the organisation in order to be more customer focused

Main priorities for the AMBITIOUS level in 2018:

- Collect and/or improve customer data
- GDPR compliance
- Get a more customer focused culture

Leader

Step 4

"OUR WORK CONTRIBUTES TO THE COMPANY'S REVENUE. WE HAVE PROCESSES, MEASURE KPIS, ANALYZE AND CONTINUOUSLY MONITOR OUR WORK WITH EXISTING CUSTOMERS. WE HAVE A TEAM / PERSON WITH DEDICATED RESPONSIBILITY."

This group is made up of mostly large, B2C companies with retail businesses making up a large proportion. The head of CRM or top management is responsible for the strategy for existing customers and it is at this level that we start seeing the head of customer experience role.

Within this group, there is also further migration from one autonomous role towards working together with other stakeholders within the company. Decisions impacting the customer experience are made more collaboratively (55%) to with just 39% having sole authority.

For nearly half of CRM leaders (44%), the marketing budget will remain unchanged in 2018 however over 60% are increasing their CRM budgets. For 79% of the leaders, the extra budget will fund marketing automation and advanced campaign management tools - a third planning to use these more throughout 2018.

The majority have started to map out their customer journeys. This is the level who least say that they have mapped out the journeys. One explanation for this can be that since this level is working on a lot of organisational changes, breaking silos and complex decision processes.

For CRM leaders, outstanding customer experience hinges on the immediate need to deal with problems quickly with no queue (48%). Recommendation (NPS) is the KPI that CRM leaders (63%) follow to track the results of work with existing customers.

However, there's more the market can do to help support these companies with their customer data challenges. Only a third (33%) of CRM leaders feel they have the technology to be able to work in a customer focused way and most feel they're only partly the way there (56%). Similarly, 53% admit they either have several systems that aren't properly integrated or are still in the integration process.

Characteristics:

- Customer Experience role is introduced
- Several stakeholders involved in decision-making
- Increased budgets
- Customer journey mapping in the making

Main priorities for the LEADER level in 2018:

- Collect and/or improve customer data.

- Improve customer experience

- Deliver more personal/ relevant communication and offers.

Best in class

Step 5

"WE HAVE PLANS & PROCESSES FOR OUR WORK. WE HAVE A TEAM/PERSON WITH DEDICATED RESPONSIBILITY."

This group is made up of mostly large, data-driven B2C companies, and contains the fewest B2B companies. Interestingly, at this level the head of marketing (18%) and the senior leadership team (25%) most commonly hold strategic responsibility for existing customers.

This may be reflective of the high number of structures which prevent any one person from making changes (52%) – these must be made in collaboration with other parts of the business to ensure success. The further up the maturity levels you climb, the more roles exist to support customers.

To win the endorsement of these senior figures, best-in-class marketers are using KPIs connected to revenue such as ROI (35%), churn rate (40%) and Customer Lifetime Value (35%).

Half are anticipating CRM budget increases in 2018. 94% of best in class companies are using dashboards and data visualisation tools and 43% are planning to increase their use during 2018.

The majority (73%) of best in class companies have processes and follow most of them. In this bracket, 50% either have successfully integrated all of their systems or simply have multiple systems integrated by one supplier.

For 30%, outstanding customer experience hinges on engaging two-way conversation. Over half (57%) are focused on delivering more relevant communications and offers to facilitate these conversations.

Characteristics:

- Budgets are expected to increase
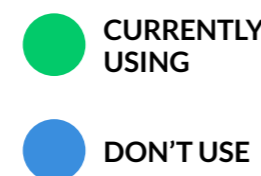- They adhere to processes
- Collaboration is key

Main priorities for the BEST IN CLASS level in 2018:

- Deliver more personal/ relevant communications and offers

- Improve customer experience
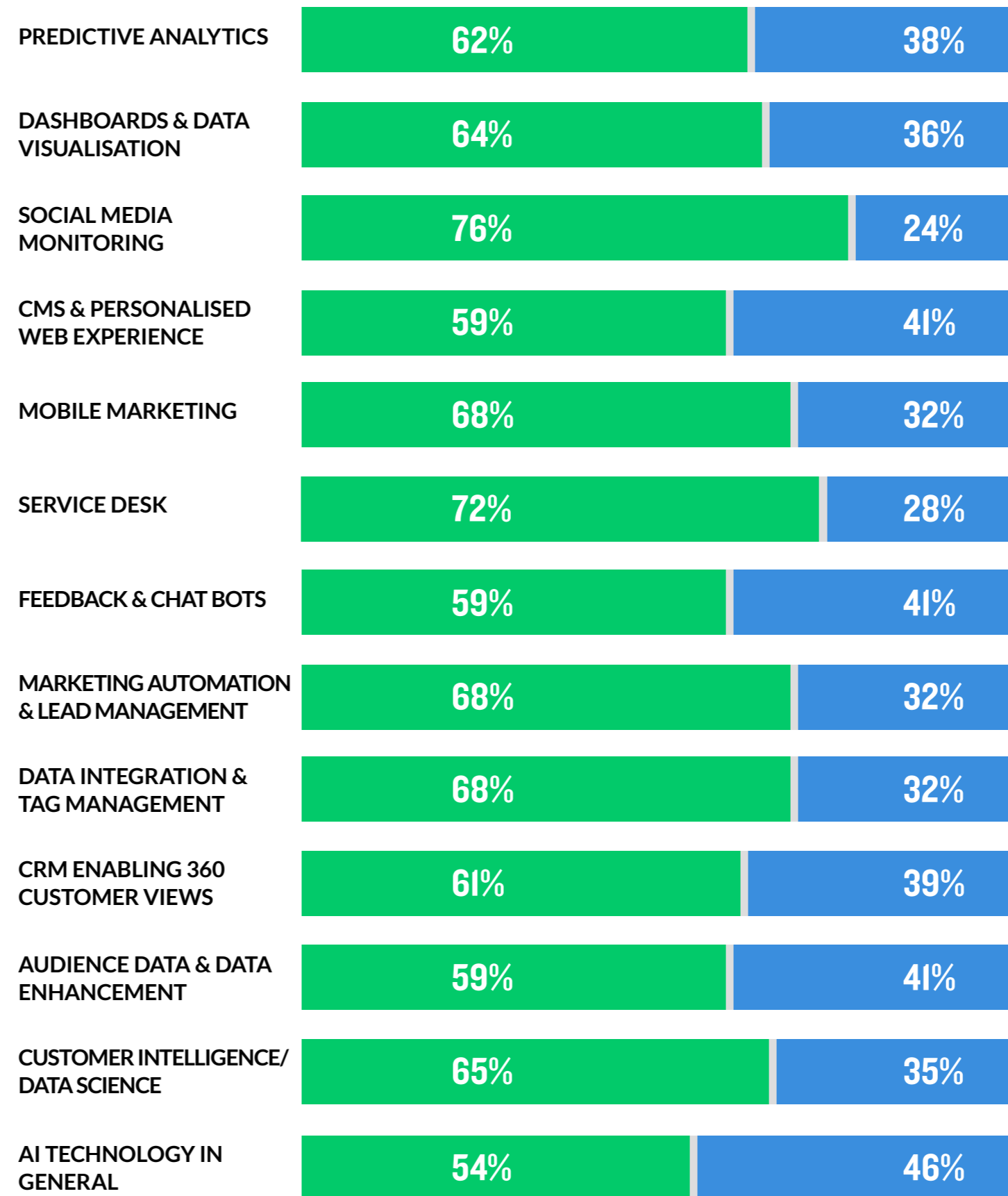
- GDPR - collect consent

Marketing Technology Investments

CRM Barometer 2018 shows that many brands have invested in a lot of different marketing technologies but the majority (72%) have not yet fully integrated their systems. Most brands invest in technology without having a clear tech strategy. When they invest they do so by choosing the tools that best support the customer journey, right now. (According to Martech in Sweden report by Wiraya and Odyssey, 2017).
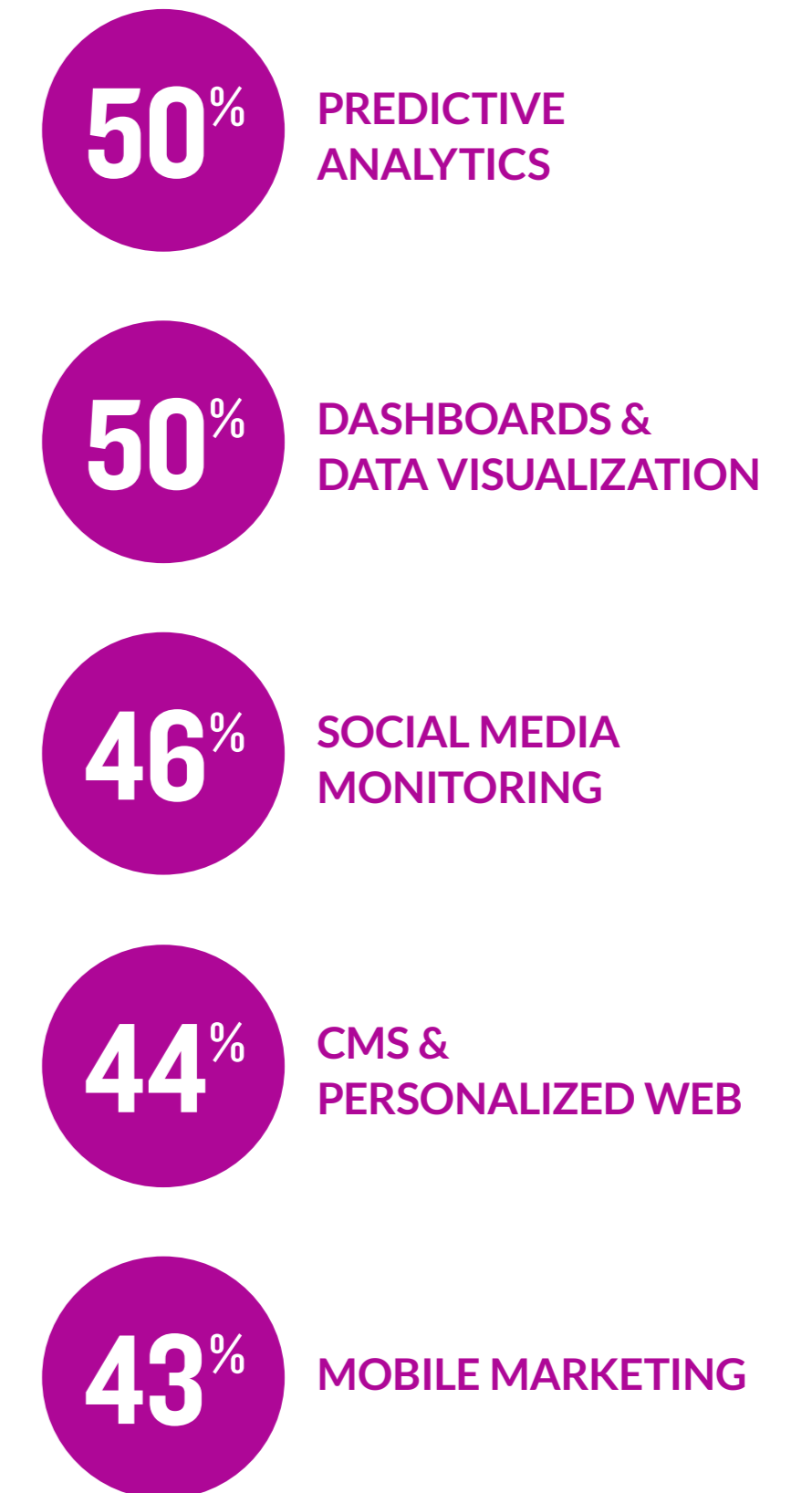
Half of the respondents in CRM Barometer say they will invest in new marketing technology in 2018. Make sure to choose tools that easily integrate and speak with your other systems, for example through open APIs.

- 🟢 CURRENTLY USING
- 🔵 DON'T USE

What marketing technology tools do you use?

Technology	Currently Using	Don't Use
PREDICTIVE ANALYTICS	62%	38%
DASHBOARDS & DATA VISUALISATION	64%	36%
SOCIAL MEDIA MONITORING	76%	24%
CMS & PERSONALISED WEB EXPERIENCE	59%	41%
MOBILE MARKETING	68%	32%
SERVICE DESK	72%	28%
FEEDBACK & CHAT BOTS	59%	41%
MARKETING AUTOMATION & LEAD MANAGEMENT	68%	32%
DATA INTEGRATION & TAG MANAGEMENT	68%	32%
CRM ENABLING 360 CUSTOMER VIEWS	61%	39%
AUDIENCE DATA & DATA ENHANCEMENT	59%	41%
CUSTOMER INTELLIGENCE/ DATA SCIENCE	65%	35%
AI TECHNOLOGY IN GENERAL	54%	46%

Top 5 technologies Swedish brands will start/increase spending on:

- **50%** PREDICTIVE ANALYTICS
- **50%** DASHBOARDS & DATA VISUALIZATION
- **46%** SOCIAL MEDIA MONITORING
- **44%** CMS & PERSONALIZED WEB
- **43%** MOBILE MARKETING

What customer-obsessed companies do differently

9 top keys

Most brands say they are customer focused. But as we all know, it's easy to talk the talk but it's a lot harder to walk the walk. So, what are the typical traits customer-obsessed companies possess? What differentiates customer-obsessed companies from others? Here are 9 keys to build a customer obsessed organisation:

1 Get your management's attention

In order for your CRM work to be successful, you need to convince your management team to prioritize developing the relationships with existing customers rather than spending resources searching for new ones.

2 Develop a customer strategy

Now that you've got your management team's attention, it's time to agree on a customer strategy, get it signed off and anchored in the management team. But how?

3 Calculate your Customer Lifetime Value

To be able to get budget signed off and more importantly, know where to spend it, you need to create a Business Case. Create a business case that highlights not only the benefits of working customer focused, but incorporating your organization's business model.

4 Tech is an enabler

Now that you have a strategy and the budget to move forward it is time to start looking at your tools. What do you need to be able to out the customer first and live up to their high demands? Make an inventory of your tech stack. Identify the right platforms/apps/systems and make sure they speak to each other. Consider buying tech as a service to ease your work.

5 Collect and improve your data

You've heard this before. Customer data is the new oil. But in order to make data-driven decisions, you need to ensure that you have the information you need about your customers. This year the industry have a bigger challenge than ever with GDPR going live 25th of May.

6 Move from silos to journeys

To succeed with your customer development work, you don't just need to get the management team onboard. Moving from a product to a customer-driven organization is about creating a culture that understands the value of putting the customer first. Therefore, you need to involve all employees. Don't make the mistake of just collecting and analysing customer insights. Sharing is caring! Involve all departments. Work agile and cross-functional.

7 The future lies in predictive analytics

It's simple. To be able to deliver proactive communication that your consumers actually want you need to act on data and customer insights. The biggest obstacle to get into predictive analytics is to be able to integrate old systems with new, but also to marry data from different departments in an organisation. It is not until this is solved we will truly be able to see the effect of new technology, such as AI.

8 Customer Experience is your only advantage

According to Gartner, 91% of all marketers intend to compete with customer experience as the most important initiative for the next two years. Where will you be in two years if you continue like business as usual?

9 Don't forget to talk to your customer!

Just like one of the consumers told us in the study "I want companies to keep in mind I am an individual and not just a number in their excel sheet". Listen in to Customer Service calls, talk with real customers and truly listen to feedback that you receive. And most of all, if you really care about what your customers say, act on it!
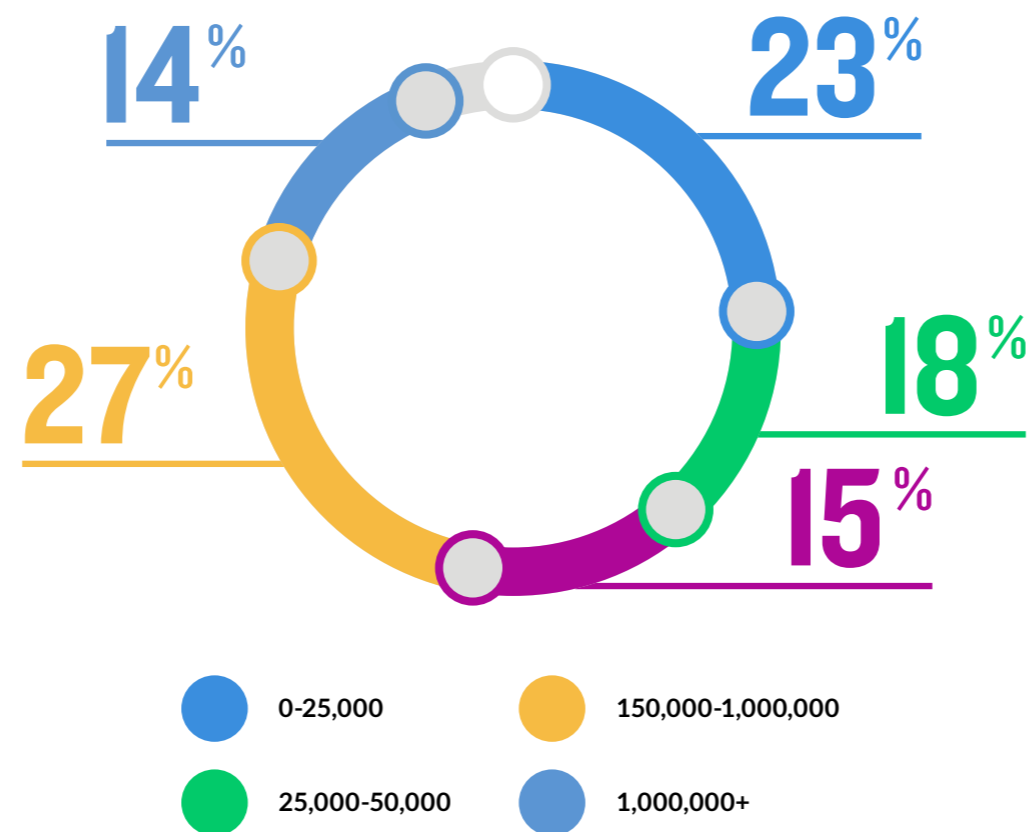
Demographics & About

CRM Barometer is a quantitative survey. We questioned 296 Swedish marketing, CRM and customer experience professionals in full time employment and took place in March 2018.
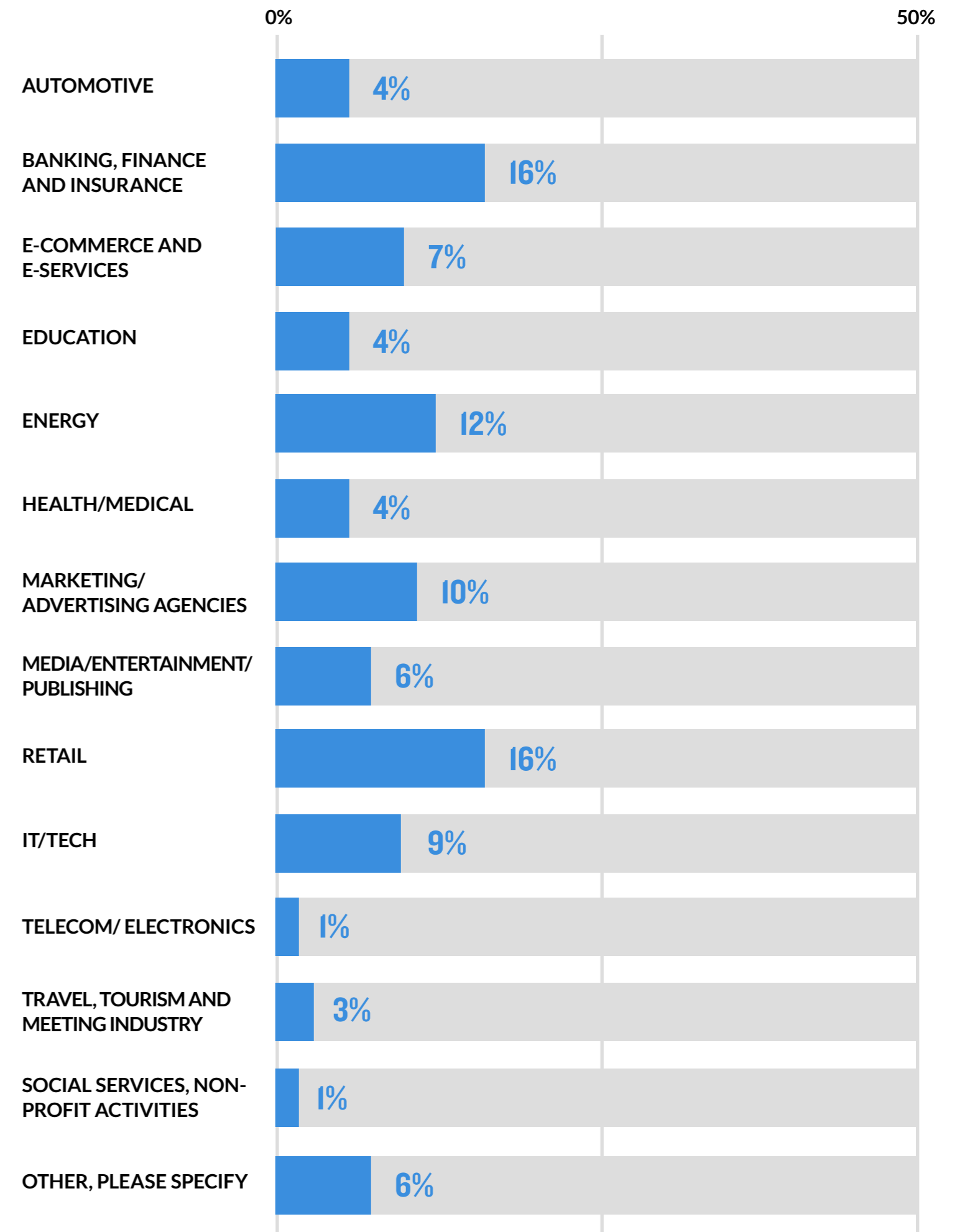
Which of the following best describes your profession?

- 38% MARKETING PROFESSIONAL
- 47% CRM PROFESSIONAL
- 15% CUSTOMER EXPERIENCE PROFESSIONAL
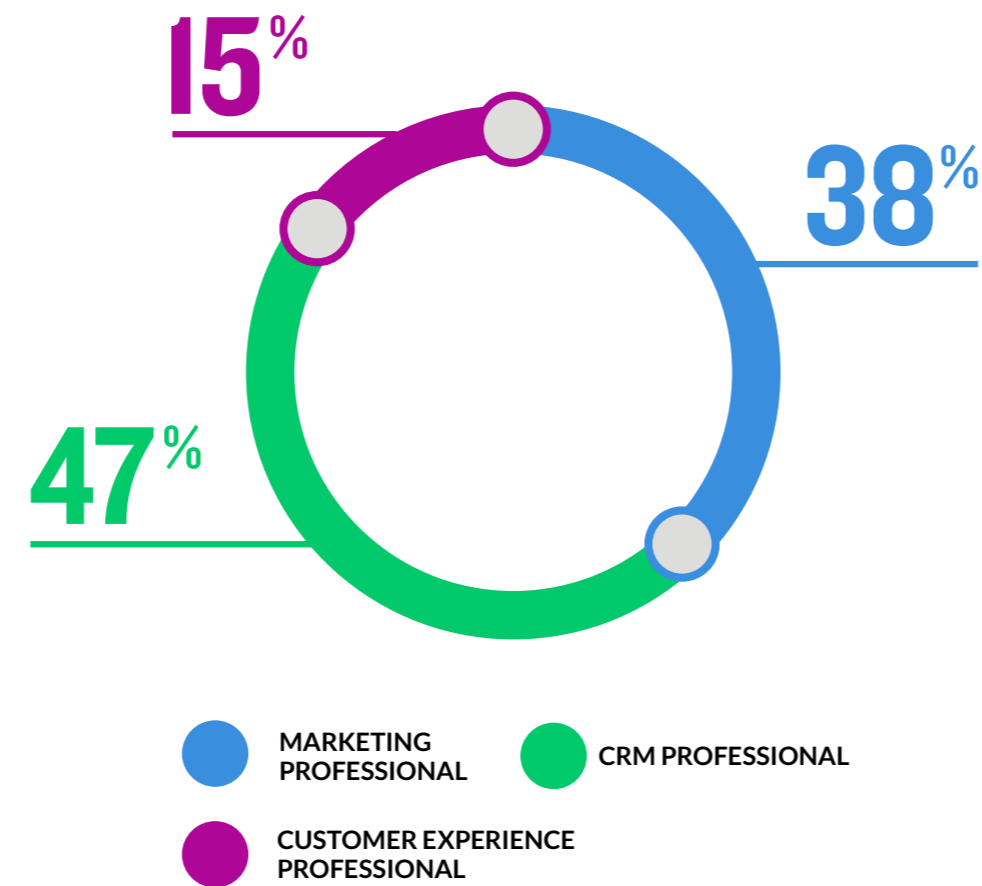
What is the total number of customers in your organisation?

- 23%
- 18%
- 15%
- 27%
- 14%

- 0-25,000
- 150,000-1,000,000
- 25,000-50,000
- 1,000,000+

In which industry is your organisation?

Industry	0% — 50%
AUTOMOTIVE	4%
BANKING, FINANCE AND INSURANCE	16%
E-COMMERCE AND E-SERVICES	7%
EDUCATION	4%
ENERGY	12%
HEALTH/MEDICAL	4%
MARKETING/ ADVERTISING AGENCIES	10%
MEDIA/ENTERTAINMENT/ PUBLISHING	6%
RETAIL	16%
IT/TECH	9%
TELECOM/ ELECTRONICS	1%
TRAVEL, TOURISM AND MEETING INDUSTRY	3%
SOCIAL SERVICES, NON-PROFIT ACTIVITIES	1%
OTHER, PLEASE SPECIFY	6%

WIRAYA

WITH PARTNERS

WUNDERMAN

avaus

Recoordinate©

Re:

relation & brand

KAPLAN

SWEDMA

wiraya.com