



5 Tools to Help Discover New Customers in a Down Economy

By Pam Baker | December 15, 2008

In an age where customers are as precious as rain drops in a drought, CRM is often hailed as the most essential business survival tool. But if CRM is indeed the best relief measure in this parched economy, why are customers still draining from companies' rolls as though the software were a sieve?

"The definition of a recession from a marketer's view is when everything you've done in the past no longer works," said Michael Kringsman, CEO of Asuret Inc., a consultancy on IT failures. He also writes a blog on that topic for ZDNet. "It's not that the tools are bad, you just have to change the way you use them."

For starters, you have to twist the focus of CRM about 180 degrees, from the old internal management of customers toward a new deliberate customer-outreach strategy.

Drugstore.com Inc. is at the forefront of the CRM repositioning. The company recently repurposed its RightNow chat feature to serve as a product educational tool in its new customer-outreach program for its Beauty.com subsidiary. Essentially, highly trained agents recreate the brick-and-mortar beauty counter experience where cosmetologists address customer beauty problems and recommend appropriate products to solve them.

"We started that program just two months ago and we are already experiencing a 40 percent order conversion rate," beamed Lisa Larson, director of customer care at Drugstore.com. "We will do the plus-selling, up-selling measures at the 90-day mark — still a month away — but we already know it's going to be pretty darn good."

Larson said customers can even get the ever-popular "gifts per purchase" by major beauty product vendors exactly like they can at an actual beauty counter. She added that customers routinely ask agents to recommend enough products so the customer can meet the purchase minimum to qualify for the "free gift."

"We have even created our own kits to promote upselling and larger purchase orders," she said. "But the biggest factor is that our agents meet with vendors regularly and are highly knowledgeable of every product line we carry."

The metrics soared so fast that Drugstore.com plans to use RightNow chat similarly for Drugstore.com in the immediate future, followed by a new "white glove" personal shopper service the company intends to launch in about 60 days. "The white glove members will be our best customers and they will have special numbers and links for premier services and bonuses," explained Larson.

With that success story for inspiration, here are five tools from the experts to help you find new customers in a down economy:

1. Build a funnel to attract and feed new customers into your CRM. Marketing and customer service are now firmly fused. You cannot separate them and survive. There are a number of ways to funnel new customers into your company, but the first step is to make your company search-

friendly. "A Web site that is not optimized for natural search is the equivalent of an unlisted telephone number," said Stephan Spencer, founder and president at Netconcepts.

"The algorithms used by search engines to determine query results are complicated and always changing. A Web site that was visible two years ago may have new barriers to that visibility now," he said. Either hire an SEO (search engine optimization) firm or revamp your Web site yourself regularly to keep up with SEO changes.

SEM (search engine marketing) is a strong alternative to SEO. SEM is simply the ads on search engine results one finds at the top and along the sides of the search results page. "You can spend a lot of money for a keyword, say like 'security,' and end up in front of people looking for padlocks when you provide body guards," explained Chris Selland, vice president of marketing and business development at EasyLobby Inc. and formerly an analyst for Yankee Group Research Inc. and Aberdeen Group. "With SEM you have a low-cost means to effectively target your prospects. Plus, they come to you if they click on the ad, so you have only qualified prospects coming in."

Matt Malden, CEO of Yield Software Inc. and former vice president and general manager at Siebel Systems Inc., agreed with Selland. "Advertisers can advertise with search engines like Google, Yahoo! and MSN so that their advertisements display on the top and right side of the page for users who are searching on relevant topics. That allows advertisers to address the billions of searches Internet users perform each month."

Selland said EasyLobby is investing greatly in both SEO and SEM as well as in constant contact to send email newsletters as a "soft-sell" reminder to current customers. "This doesn't sound like it has anything to do with CRM, but it does. You have to think of your funnel as an extension of CRM," he said.

2. Add and leverage social media to your CRM. It's not enough to establish your brand on a social media site like Twitter, Facebook or MySpace. You need to be able to regularly and personally interact with prospects on these sites and track them in your CRM program. Several CRM vendors already offer solutions to do this. "To manage Twitter conversations, we use BatchBook, our 'social' CRM that allows you to actually add a person or company's Twitter messages — called 'tweets' — right onto their contact record," said Michelle Rigger-Ransom, communications director at BatchBlue Software. "It's a great way to track what they are saying about your company, your competition or anything of importance."

3. Use the freebie tools freely. There are several CRM tools available that are worth considering as they may cut your costs in revitalizing and optimizing your CRM efforts. Take, for example, Demandbase Stream, which integrates directly with Salesforce.com and LinkedIn. "Demandbase Stream can track and 'watch' specific customers or prospects and can be easily shared for intra- and inter-company viral adoption," said Chris Golec, Demandbase Inc.'s CEO. "It's a free browser-less Web ticker that captures and identifies contacts related to B2B Web traffic, effectively turning 98 percent of unrealized passive Web traffic into actionable leads." Golec added that over 500 companies have adopted the technology.

TweetDeck is another free tool that effectively manages Twitter for SMBs (small- to medium-sized businesses). Look around — there are new freebies popping up everyday and many can save you a bundle over CRM upgrades.

4. Repackage your offers to fit current customer needs. You might think this one is a no-brainer, yet it's the most often overlooked part of a revitalized CRM program. "Any effort to reach out, no matter how well-intentioned, will fail if the offer doesn't address customer need," warned Krigsmann.

Case in point: LifeGem, a company that creates memorial diamonds from carbon collected from cremated remains, has tried everything over the last six years to increase its presence in funeral homes around the country. The current recession seemed to herald its demise. Instead, LifeGem looked for a way to repackage its product to fit financially embattled funeral home needs. "The cremation rate is on the rise due to the recession and funeral homes are looking at ways to offer meaningful permanent memorials to their cremation clients," explained Dean VandenBiesen, co-founder of LifeGem. "By presenting the LifeGem diamond as a real and permanent memorial item, we have signed on over 300 funeral homes in the last two months, compared to the 1,000 funeral homes we signed over the past six years."

The founders of LifeGem would never have guessed that an economic downturn of epic proportions would have had such a positive effect on their growth. With careful new attention to your customers' needs, you may be in for an equally pleasant surprise.

5. Leverage every CRM feature. Just as Drugstore.com leveraged RightNow's chat feature into a completely new customer-outreach program, other CRM features are ripe for exploitation. Certainly, you may need to add or upgrade your CRM in order to leverage the latest tools, but don't overlook the features you already have in the process. WrapMail Inc. offers a good example. "WrapMail is all about direct-marketing taking place among people that know each other by way of emails between them," explains Dave Kustin, CMO of WrapMail. "Each email is surrounded by an interactive letterhead that is linked back to a Web site, but more than just promoting a brand, a customer can click on any of the links in the Wrap and we then capture that data of who clicked on what and when."

WrapMail software is designed to make every employee a part of the marketing team by wrapping every outgoing email with their organization's marketing message. "We call this person-to-person marketing, which is the complete opposite of email blasts and newsletters," said Kustin. "There is nothing to install on any desktop and nothing to learn, everything takes place on the server level after the employee sends the email."

Kustin added that WrapMail clients have the ability to "push" their products out in every email from every employee.

The bottom line: Comb the features of your CRM and talk with your vendor. There may be new ways to leverage what you have beyond anything you've dreamed.

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