

CRM = Customer  
Relationship  
Management 1

Organisation-wide  
Strategy 2

Relationships 2

Customer Data –  
Building the resource  
for CRM 4

CRM Tools 6

CRM in practice 9

## Implement CRM



### A guide to deploying CRM in your organisation

#### Who is this guide for?

CRM requires an organisation-wide strategy to be effective, so this Guide needs to be considered at Board and senior management policy level, as well as by all staff in customer-facing roles. CRM involves all the “touch-points” when the organisation relates to people, and needs to be understood and applied through all elements of the “customer experience”.

In recent years, software for helping with CRM has meant that more and more people are becoming aware of it, and the acronym is quoted more and more. This is in fact the ‘late-majority’ of the typical adoption curve, with all the inherent dangers of people hearing about something, but not having the knowledge and experience to understand it. This Guide should help.

### CRM = Customer Relationship Management

As happens with more than one acronym, there can be more than one definition of what the letters mean (RSS suffers this multiple definition). CRM is frequently referred to as “Customer Relationship Marketing” while the accepted definition is actually **Customer Relationship Management**. Perhaps the confusion is reflected in the joke definition “Cannot Replace Marketing”. Of course there is a verb hidden in Customer Relationship Management, because it assumes we are going to *manage* relationships: typically this would involve:

- Changing the relationship with existing attenders/visitors/participants
- Developing long term relationships with new people
- Bringing back lapsed attenders/visitors/participants

Those relationships could be with virtual visitors/participants as well as attenders. But it would be a mistake to think that CRM is about technology: it is essentially about relationships. Ironically, computerisation transformed what cultural organisations could do practically in terms of CRM. The first system to make a difference was introduced into the UK in 1988, and CRM widely applied in arts marketing and audience development in the 1990’s. Generally applied to marketing practice, sales, customer service, and all customer facing activities and inter-actions, CRM does usually involve using technology to draw together, synchronise and automate processes and views of customer records.

CRM = Customer  
Relationship  
Management 1

Organisation-wide  
Strategy 2

Relationships  
2

Customer Data –  
Building the resource  
for CRM 4

CRM Tools  
6

CRM in practice  
9

## Implement CRM



The key first step is to join up the thinking so you can see everything your organisation knows about each individual, and then make decisions about what kind of relationships you want with them and how to build those relationships. Where customer handling may be in different parts of the organisation, it requires departmentalised functions to collaborate together on a common goal: building relationships. It cannot work fully, unless the whole organisation wants to change its relationship with its customers and agrees a strategy to achieve it.

### Organisation-wide Strategy

Emphasising that it is not about technology, it is also not just about marketing, but it is an organisation-wide philosophy about how the organisation relates to people, what outcomes it wants to achieve, what benefits it wants to deliver? What relationships does your organisation want with people? Too often in the performing arts, for example, customers are referred to as “punters” or worse “bums on seats”; actually most organisations need to value their customers and want a relationship of “hearts and minds”, with loyalty. In galleries and museums there is often a ‘stand-back’ policy, not to be “in-the-face” of visitors,

and, where attendance is non-ticketed, this can mean that customers are not recognised unless they join Friends or membership schemes. This inevitably reduces the flow of recognised people with whom relationships can be managed.

### Relationships

Organisations often ask the question “*What relationships should we seek with customers?*” The better and most useful question is “*What relationships do the public want with us?*” In practice, we know that most people are not very frequent attenders, but they do build considerable loyalty to an organisation, especially if communicated with on a more personal and tailored basis, relevant to them and their circumstances.

For most arts organisations, the key second step is to think of building a relationship with a new, first-time, attender in the form of a route or a journey: what happens next? What do we want to happen to them? Where do we go from here? All the time, it is important to remember who knows what their relationship is with any arts organisation: the customer.

CRM = Customer Relationship Management 1

Organisation-wide Strategy 2

Relationships 2

Customer Data – Building the resource for CRM 4

CRM Tools 6

CRM in practice 9

## Implement CRM



To summarise the three stages in the relationship, they would be to Welcome (and get to know), to Develop Loyalty (bring them back and encourage them to look at what you have on offer first, to develop their understanding and appreciation), and to Make Friends (the kind of friends who don't want special offers, but recommend you to others, and bring their friends). The concept commonly applied to this is the Loyalty Ladder:



**The Suspects – Prospects – Potentials – Customers – Clients – Advocates** ladder uses the conventional marketing terms. The arts equivalents are **Capture – Permission – Test Drive (or similar) – Track & Get to Know – Develop dialogue & frequency – Friends & Ambassadors**. Interestingly, many arts organisations offer Friends memberships early in relationships to accelerate the process of building loyalty.

CRM = Customer  
Relationship  
Management 1

Organisation-wide  
Strategy 2

Relationships 2

Customer Data –  
Building the resource  
for CRM 4

CRM Tools 6

CRM in practice 9

## Implement CRM



Having a strategy to start people up the ladder is the key next step. It is always said that the most challenging 'rung' is not necessarily achieving that first-time attendance of a new customer, but to get them to come back again. When you have persuaded the customer to make this visit, their next visit is the important one: when do you want the customer to come back, and what to see/do? What do you know about them to help them to come back and enjoy themselves even more? Can you recommend something to them now? On-line, and off-line, you can sow the seeds of interest in coming back soon. You can start to build a relationship with them.

There are great audience development schemes such as Test Drive, to achieve first-time attendances and welcome people, developed by Andrew McIntyre when at Arts About Manchester, and now deployed across the world. It is important to identify and follow-up with first-time attenders, perhaps send a "morning after" email to ask them to complete a satisfaction survey, incentivise the next event you believe could be attractive to them, tell them something more.

If you want to develop their loyalty and frequency of attendance, and to introduce them to a wider range of work, then Andrew McIntyre's Audience Builder Climbing Frame is another great audience development tool. More from Andrew McIntyre at <http://www.lateralthinkers.com> Arts software house Purple Seven has a module as part of their Vital Statistics package for the **Audience Builder**, as well as offering **Recommendations** to match customer behaviour with the right forthcoming events in your programme: <http://www.purpleseven.co.uk/home.html> . However, none of these tools can work without customer data.

### Customer Data – Building the resource for CRM

Most organisations have some in-house data on attenders/visitors/participants and their behaviour. In ticketed organisations, though data often involves "transactions", if the customer details are recorded, then the database becomes centred on people and their relationships. The data can be found:

- in ticketing and marketing systems
- on mailing and other lists, guest lists, private view lists, etc.

**CRM = Customer  
Relationship  
Management** 1

**Organisation-wide  
Strategy** 2

**Relationships** 2

**Customer Data –  
Building the resource  
for CRM** 4

**CRM Tools** 6

**CRM in practice** 9

## Implement CRM



- in website and e-Newsletter systems and databases,
- in Friends and memberships databases

Of course, some organisations start out with no customer data: in those circumstances think through every point of customer contact and inter-action and identify what data could be captured and recorded. It is essential to improve data capture, especially in terms of email addresses – crucial to much e-marketing – and information which helps segment customers according to their Age/Cohort and the make-up of their family such as the age of children, etc. and their Preferences and Interests. In most organisations you want a single “database of truth”, joining up customer data so you can view it and use it: there must be no ‘silohs’ of data.

Arts organisations can supplement customer data with socio-economic profiling, so they can map & analyse catchment areas from postcode level. The UK Network of Audience Development Agencies has access to Mosaic or ACORN, and Arts Council Area Profile tools, and in Scotland The Source. The goal is to segment customers on their attendance behaviour and socio-economic profiles. And you can identify key prospects, by geography, profile, behaviour, and use research to find out more. Research in this context can be just talking to people:

- Use qualitative research to explore the needs of specific targets/segments - talk to people
- Use quantitative research to test concepts on specific targets/segments - survey people

That might sound advanced. The key point is that your contact with customers should enable you to enhance the data on your customers as individuals: Capture and record data from customers through ALL the channels of inter-action, at every “touch-point”:

- Any dialogue on the phone or over the counter
- Surveys and simple postcards “tell me more”
- Use registration and log-in on web-sites
- Offer self-selecting profiles and preferences when people register on the web

CRM = Customer  
Relationship  
Management 1

Organisation-wide  
Strategy 2

Relationships  
2

Customer Data –  
Building the resource  
for CRM 4

CRM Tools  
6

CRM in practice  
9

## Implement CRM



- Track behaviour on websites including click- throughs
- Self-completion on-line surveys and feedback forms
- Monitor social media such as Twitter & Facebook, and inter-actions
- Record responses to campaigns

Use your intelligence to be intelligent with the customers, BUT Get customer's permission to use their data. There is a legal framework to collecting and using customer data in the form of the Data Protection Act 1998 and for e-marketing the Privacy and Electronic Communications (EC Directive) Regulations 2003. The key point is that you can benefit from 'permission' and build an ongoing relationship of increasing depth and engagement - with loyalty. Jane Donald, when Head of Marketing at Glasgow Concert Halls - <http://www.glasgowconcerthalls.com> - pointed out that in communicating with customers in a direct way, it was important to remember that:

*"customers are real people, individuals, with specific needs, in the search for authenticity"*

## CRM Tools

This Guide cannot encompass everything about CRM. There are whole books about it: The Australia Council has published FULL HOUSE Turning Data Into Audiences: for more information <http://www.artsoz.com.au/FULLHOUSE.htm>

For most organisations, the important next step, after agreeing what the policy is for relationships with people, is an **Audit** of the data held on customers to inform what you will need to store and use in your CRM tool: where is the data currently held (in which department), in what database, and what does the database contain. A list of fields indicating the data recorded in each database is the key output; note that where a database is a list, the key field information may be missing because the name of the list is the key e.g. Private View List, so it may be necessary to add a field to all the list records stating 'Private View Invitee'. The next step is to find a basis for joining up the databases, finding some unique ID for each customer, possibly merging or purging some records, so that it is possible to see all the information in relation to a specific customer in one place. Difficult decisions are involved about duplicate and conflicting data entries

CRM = Customer  
Relationship  
Management 1

Organisation-wide  
Strategy 2

Relationships 2

Customer Data –  
Building the resource  
for CRM 4

CRM Tools 6

CRM in practice 9

## Implement CRM



to ensure the joined up database is accurate and up-to-date. FULL HOUSE has details of creating fields and databases for customer records.

The challenge that a number of arts organisations experience is to identify the right tools to manage this. And it proves unhelpful that there are a variety of suppliers and re-sellers anxious to profit from trying to meet their needs. Organisations need a database which enables them to store, code and categorise their attenders and their behaviours; then they need tools to recognise customers, to identify and select target segments to receive personalised communications, and then they need tools to send out the right communications and recommendations, or to recognise people appropriately on their website.

For most ticketed organisations, the answer fortunately is straightforward: the unified database in an up-to-date ticketing and marketing system, drawing data from all sources, should form the 'database of truth' and drive CRM. Unfortunately, web developers, email systems, fund-raising software, with data in separate 'silohs', may conspire to make that more difficult than it should be.

The simple fact is that up-to-date software solutions are usually based on SQL (Structured Query Language) which with xml feeds and schemas means that systems can interface and synchronise their data on customers to form a single view. A 'Best Buy' example is **PatronBase**, originally developed in New Zealand, now supplied from a company in Cardiff in the UK.

For non-ticketed organisations, the answer may be the same, since software for ticketing can usually handle classes and workshops, public lectures, private views, membership and Friends schemes, so they are 'fit-for-purpose' as a 'database of truth' for a gallery or museum.

For non-ticketed organisations, it is important to remember that there is often less data on customer behaviour to be recorded, and therefore fewer opportunities to deploy advanced CRM practices, so the requirements placed on the tools may be simpler. This means that options include tools from Purple Seven, or e-mail marketing solutions, or sometimes advanced website CMS (Content Management Systems) which can be suitable tools for storing data if they have email modules for communicating with people.

There are some dedicated solutions specifically developed to meet modest needs. From Hi-Arts in Scotland, **AudienceBase** on the PC is software for Windows, available freely for use and customisation

**CRM = Customer  
Relationship  
Management** 1

**Organisation-wide  
Strategy** 2

**Relationships** 2

**Customer Data –  
Building the resource  
for CRM** 4

**CRM Tools** 6

**CRM in practice** 9

## Implement CRM



under the standard terms of GNU GPL licensing. It is not actively supported by HI-Arts and runs on any PC running Windows 95, 98, 2000, XP or Vista. No additional software is required though users may need to download the Microsoft .NET framework.

In these “you are out there on your own” situations, there is the danger that so called CRM “solutions”, including ‘open source’ are as likely to be “problems”. Eugene Carr of Patron Technology refers to the challenge of being given a pile of Lego building blocks without a plan, and with you expected to know how it fits together from prior knowledge, and what the building looks like when finished. Some suppliers/developers admit that they supply software – sometimes ‘open source’ – and make their money because the organisation does not know what form their database should take, what data processing and analysis they want, how to segment and target, or how to configure the e-marketing tools, interface with Facebook and Twitter, or what tasks and routines they want to run, over time, etc. Off-the-shelf CRM tools usually require considerable configuration and set-up by experts who know the software.

Just operating CRM tools can be demanding, potentially needing knowledge of SQL (Structured Query Language) to import and export data, and of how to process the data on a DIY basis to enable the tools to drive campaigns. Since CRM is something that takes place over time, it is essential to be able to manage the tasks and activities of CRM. As one marketer said: “I expected to find out how to use the system for CRM, so I could do CRM, but the system expected me to know already what to do and when, and how to set everything up. And to have a database of customer data ready to import, which we didn’t have”.

The danger is that some suppliers and web developers build customised solutions, where they hold the knowledge of how the database works, and the organisation becomes locked in to using those tools through them, and paying for any changes and modifications. Even then, these may not necessarily be ready to integrate with other data sources and synchronise customer data views.

Platforms such as Microsoft Dynamics for CRM, Constant Contact for e-marketing, Zoho for CRM, and Sales Force, are examples of well known potential options, but these do not come as pre-built tools to meet the needs of arts organisations “out-of-the-box”. Sales Force has one of the largest user bases in the world, and while there is a Not-for-Profit free version of Sales Force available for configuration, people in arts

CRM = Customer  
Relationship  
Management 1

Organisation-wide  
Strategy 2

Relationships  
2

Customer Data –  
Building the resource  
for CRM 4

CRM Tools  
6

CRM in practice  
9

## Implement CRM



organisations, who have tried, report it as a major challenge. So Patron Technology have built Patron Manager CRM as a genuine CRM solution and made it available without up-front costs on a pay-as-you-go basis. There are separate tariffs for ticketed and non-ticketed organisations: <http://www.patrontechnology.com/patronmanager>. Definitely worth looking at, and this solution integrates into Outlook for time-based tasks and reminders.

### CRM in practice

The advice in this Guide is to concentrate energy and resources on practicing CRM, and not to waste any on trying to configure your own solution. The ambition should be to use your available information so you can segment attendees and help understand their behaviour:

- frequency of attendance - different loyalties
- character of events seen - different motivations
- socio-economic profiling - different lifestyles
- make-up of attendee groupings - different needs:
  - Solos
  - Couples
  - Families
  - Groups
- type of booker: students, pensioners, unemployed
- age & cohort - year & decade of birth are key dividers
- web browsing activity on your website – what have logged-in people looked at?

Once you know who the customers are, you can use e-Newsletters, web pages, micro-sites to provide specific messages to individuals. You can link e-marketing campaigns back to specific web pages with content tailored according to the recipients and typical personas. You can serve different content according

**CRM = Customer Relationship Management** 1

**Organisation-wide Strategy** 2

**Relationships** 2

**Customer Data – Building the resource for CRM** 4

**CRM Tools** 6

**CRM in practice** 9

## Implement CRM



to profile, or for Friends, Subscribers, and according to what people have seen, so you can offer 'Amazon style' linked recommendations or send "Morning After" follow-up e-mails.

CRM knowledge on customers and their behaviour enables you to think 'social' in terms of marketing and get more 'personal', so you can support social networking, forwarding recommendations, helping "Initiators" – the people who help their friends attend. You can get closer by seeking inter-action and user generated content - at least photographs, reviews, and comments; serve people's nostalgia and provide an in-depth archive of rich content, which is also educationally valuable and helps build understanding and appreciation. You can also run moderated forums and 'chats', perhaps triggered by podcasts and blogs, and provide a Twitter feed, Facebook 'fan' pages and so on.

We are creating a "virtuous circle" in which we form relationships with first-time attenders, welcome them, get to know them, develop their loyalty, bring them back to attend more often, and then make friends, helping them to invite their friends and act as our ambassadors, bringing in more first-time attenders, to start going around our virtuous circle again.

Just remember: the customer knows what their relationship is with you. Do you know your relationship with them?

## The Virtuous Circle

