

Think Global, Act Local: Is CRM Country-Specific?

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Imagine the following situation: You've been a customer of a multinational bank for 10 years. You are very satisfied with customer service and the relationship your bank is maintaining with you. Apart from such basic services as online and telephone banking, you personally know the bank director and receive special conditions for all your transactions because you're considered a very valuable customer. Your company decides to send you as expatriate abroad for five years, and you are contacting the local bank office to open a local account. Will the people there know you as customer—and your value for the bank?

Generally speaking, the answer is no. In the ideal CRM case, a customer history would be available in the bank's global database to be shared with customer service representatives all over the world, so the customer would get the best service and know he's valued. In the real world, the scenario is quite different: As a customer, you have to start "from zero" to gain the advantages of because a valuable customer, because you are not known locally. And this is not an imaginary case; it has happened to me and lots of other professionals changing countries within Europe.

Now imagine the same case in the airline business. Will the airline know you as customer and your value for the airline outside your home city or country? The answer is yes, if you have a frequent traveler card. All your transactions, status and accumulated points are available on a global basis—for customer representatives and for you. A personalized service can be guaranteed to you wherever you are, at least regarding the availability of customer data to serve you according to your customer value (it's another question whether this information is used to serve you better).

As you can see, the answer to the question of whether CRM is country-specific depends on the industry and type of customer you are—or you're dealing with.

The bank example tends to a country-specific CRM, because we are talking about very sensitive customer data that is protected by local data protection laws and cannot be shared on a global basis. Also, each bank office has its own business objectives and targets (even on national level) and usually does not share customer ownership. This is not customer-centric, but it's common practice at the moment.

The airline example tends to a global CRM, reaching dimensions where customer communication is centralized in one country and local offices have no stakes in defining CRM guidelines—not even in defining targeted campaigns. Central headquarters define CRM guidelines, implement CRM technology and maintain a globally integrated CRM database, that local staff has no access to. Customer relationships in this case are maintained with modern technology (such as Internet user profiles, electronic account statements and personalized newsletters), and customer value is available "real time."

Definitions

So which scenario fulfils customer expectations toward CRM? The answer is obvious: Think global and act local. But what should be defined as "global," and what should be fulfilled "locally"?

With the real-life example of a bank, the following table summarizes at a high level which components of CRM should be "global" and which should be "local."

	Think GLOBAL	Act LOCAL
CRM Strategy	<ul style="list-style-type: none"> • Define customer segments and customer value • Define design principles for CRM processes 	
CRM Leadership	<ul style="list-style-type: none"> • Define cultural corporate values for customer orientation 	<ul style="list-style-type: none"> • Translate cultural corporate values into local guidelines for daily business
CRM Processes	<ul style="list-style-type: none"> • Define core CRM processes, performance measures, and business rules 	<ul style="list-style-type: none"> • Adopt local specifics to CRM process implementation
CRM Organization	<ul style="list-style-type: none"> • Define roles&responsibilities and organizational framework 	
CRM Technology	<ul style="list-style-type: none"> • Selection of a CRM software 	
CRM Training and Coaching		<ul style="list-style-type: none"> • Definition and design of CRM training programs • Continuous preparation of staff for CRM delivery

Following this recommended approach, a company can guarantee that strategic questions are treated at a top management level at central headquarters, and the necessary flexibility is given to international subsidiaries for successful CRM delivery. Also, local buy-in for CRM is assured without the risk of being understood as "HQ doctrine." But the most important aspect is that the customer feels that local specifics are respected and followed.

Focusing on **CRM processes**, the multinational bank would define the core CRM processes to be delivered toward the customer on a global basis:

- Excellent customer service for all inbound contacts
- Customer outbound communication based on permission marketing
- Sophisticated customer intelligence to seed personalized offers.

What does this mean for the local execution of CRM in one subsidiary in Europe?

Regarding the implementation of *excellent customer service for all inbound contacts*, the subsidiary needs to define which inbound services are suitable for its customers, and through which channels—such as receipt of credit card movements via SMS. The components of excellent customer service need to be fostered based on customer requirements.

For *customer outbound communication based on permission marketing*, the subsidiary needs to define a customer-centric contact plan and the frequency of customer communication. Questions the subsidiary would have to answer include such things as which language the customer wants to receive communication in and which local data protection laws would have to be respected for customer communication.

Last, but not least, *sophisticated customer intelligence* to seed personalized offers needs to be detailed in terms of such elements as relevant customer data to be analyzed and availability of customer history.



Whether CRM is country-specific depends on more factors than looking at the industry. You must define "global" versus "local" measures for all components of successful CRM, starting with the strategy and closing with technology support and people management.