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Achieving CRM Success In A Recession.  
Hosted On-Demand CRM Proves Itself.

## CRM Strategies for a Recession

In an economic storm, hang on to your most valuable customers.

By Ron Miller | January 6, 2008

There is little doubt that the United States is deep in a [recession](#). While the downturn raises new issues for companies, the question for business owners still centers on how to maximize resources. An effective way to do that is to use CRM tools to maintain relationships with current customers and to foster new ones with the best prospects — the ones most likely to turn into customers. It's imperative to find the most [efficient](#) means of doing this, which for many companies is the [automation](#) of these relationships through CRM.

Jeffrey Henning, chief strategy officer at [Vovici Corp.](#), a company that makes [survey](#) and community-building software, cites three primary reasons that CRM is more important during a recession. "First, during boom times, organizations tend to be a bit sloppier about managing leads. Once the economy slows down, improving the yield per lead becomes more important, and CRM systems help organizations move leads through the lead-flow process," he said. "Second, all too often [marketing](#) budgets are cut during downturns, which means [sales](#) staff need to do a better job contacting current customers to look for add-on business. Third, [customer satisfaction](#) becomes more important, as the business can ill-afford losing established customers to competitors," he added.

Mona Zemsky, principal at M.Source, a Chicago-based consulting firm, said Henning's final point is particularly important. "It's easier than ever to be lured away by price, etc. Before you even think about going after other people's business, you have to play defense, because you're not the only company seeking to sway customers over to your product or service."

Simple CRM systems can provide data on specific customers — order history, current sales opportunities — and on the pipelines of individual sales people, said Peter Raulerson, an expert in go-to-market strategies and tactics and a partner with The PARA Marketing Group LLC, a management consulting firm. "This can help prioritize customers and sales staff for retention and [identify customers and sales staff to let go](#)," he said. "More sophisticated CRM systems can provide data on market segments, products, marketing campaigns and other elements of marketing as well as sales. Analyzing the data to determine which areas to shift resources to (and which areas to cut), requires organizing the data to connect all of the marketing and sales efforts by product and by market," he said.

Jennifer MacLeid Qotb, who is principal at media and marketing consulting firm Young & Associates, recommended using CRM tools to segment customers into specific groups, then tailoring your approach for that group. "CRM software can help segment customers in unique ways by looking at demographics, technographics, brand loyalty and purchase behavior," she said. "For example, in a retail or manufacturing environment, prosumers (highly sophisticated consumers) appreciate the chance for interaction with manufacturers, providers and retailers. They are often a very profitable customer segment that will spend more and are less price-sensitive." She added that CRM tools can help businesses identify profitable segments such as this and target them with unique, personal offerings through marketing campaigns that could help increase revenue and build long-term, successful relationships.

Regardless of your business size or type, CRM tools can help you get through the recession by cultivating existing relationships, maximizing sales resources to target the best leads and segmenting your markets to operate more efficiently. Just because there's a recession doesn't mean it's time to give up on technology investments. On the contrary, technology like CRM can help businesses weather the rough times as well as enjoy the boom ones.

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## COMMENTS

Posted by [Marie Dunne](#) May 12, 2009

Interesting article. Customer retention is key to a company's success. A good CRM solution can help keep customers from slipping through the cracks. As a marketing professional for a call center and CRM software company, I feel that one of the biggest challenges in our industry is in getting companies to use the CRM software to its fullest potential. Staff training is a top priority for a successful CRM implementation.

Posted by [tracy anderson](#) May 1, 2009

Great Article, I was just discussing this topic with a colleague, NOW is the time to cultivate your sphere.

Posted by [Randy Tucker](#) May 4, 2009

Good article but as we in the industry all know these points are well known in our circles. My question is how do we as a group get this same message to the user channel? It is absolutely critical that our customer base be fully aware of these strategies and tactics. Any pointers on getting more traction in getting this message out generally?

Posted by [Louise](#) May 6, 2009

Excellent points. CRM enables moving suspects through the pipeline into prospects and ultimately, customers. It is important to remember the 80/20 rule that 80% of the business comes from 20% of your customer base; and maintaining that base utilizing effective CRM technology can make all the difference.

Posted by [vaibhav singh](#) Jan 12, 2009

Good Article.....The best part was to work on customer retention instead of customer acquisition. I observed organisations generally forgets exiting customers for new business Opportunity. CRM ofcourse would be of much help under such circumstances or situations

Posted by [saravanan](#) Jan 23, 2009

Perfect article... As a marketing professional i am in sink with the same thoughts... Retention of the existing customers is the best way to energise yourselves along with the strategy of acquiring new... CRM is the proven way of help in these....

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