

## How Not to “do CRM” By Emma Warrillow

March 2005

I have just hung up the phone from the most frustrating telemarketing call that I have ever received. And the experience has reminded me of how we're failing at CRM.

It was from a telecommunications company with whom I do a **lot** of business. They provide my cable television services, high-speed Internet, and three cell phones. The total bill for the three phones alone on a monthly basis is well over three hundred dollars. So, I suspect, I am a pretty high value customer.

I have also been a customer for at least ten years so I suspect I am also considered loyal. The kind of customer CRM gurus would tell you to “wrap your arms around”.

The call I received today began by asking me how I was enjoying the services I was receiving from the company. They told me that because I had been a customer for such a long time they wanted to ‘give’ me something. I liked what I heard; it sounded like they valued my relationship.

They went on to tell me that they were offering me two camera phones with six months unlimited talk time at \$35/ month. Hmmmm...but I already have a new camera phone that they offered me at a special rate (not free) just four months ago. Surely they should have known that. In addition, my husband uses a Blackberry so the camera phone is not a feasible replacement for what he is using. But, again, surely they should have known. In fact, it became apparent in our conversation that the person on the phone didn't know that I used their cellular service at all.

The kicker, however, came when they asked me how long the remainders of my contracts were on the phones with their company. Apparently, to take advantage of their “free offer”, as such a loyal customer, I would have break these contracts and to *pay* any associated penalties! They couldn't tell me what the penalties were but I found out afterwards that I would have paid \$200 *per phone* to take up their ‘free’ offer.

How's that for Customer Relationship Management?!

What about “wrapping their arms around me”? The fact that I cannot take my cell phone number with me is the only reason I am still there...but right now it feels more like handcuffs than a hug! So this might just be the ‘tipping point’ that pushes this loyal valuable customer out the door.

There are at least two lessons for us all in this...

- 1) Knowing your customer means you really have to know them. Pretending you do is worse than admitting you don't.
- 2) Tenure is not a good indicator of loyalty. Contracts and inertia may keep customers with you for a long time, but they don't translate to advocacy and commitment.

I hope your company is not in the same league as my telecommunications company, but my experience tells me that perhaps some of the message will ring true for you.