

# Foundations of Database Best Practices for Analytics in a CRM Setup

## Best Practices for CRM Database Architecture

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### Introduction

CRM technology, a collection of tools for creating and sustaining the customers profitable relationship with the company, is all the more in need of customer intelligence than the traditional direct marketing, as CRM is putting more expectation on a company to reach out, understand, and act relevant to the customers regarding what the customer wants, when the customer wants, how the customer wants, and by what channel of communication the customer wants the service to be delivered. All with the understanding that communication and information has power to lift quality of life of customers.

In order to do the best job of analytics, we have to follow systematically certain principles of building the database, managing it, and utilizing it. These foundations, namely, the best practices in database construction, will lead to best practices in analytics. In the next article we will see the types of best practices for CRM analytics, to leverage a company's relationship with its customers.

### A Customer Centered Database

While many companies understand the importance of business intelligence that need to be built for marketing and consumer communications, often what is lost in the yell and appreciation is the need of a solid database structure for traveling on the golden grail of relevant and timely consumer communications.

Even if the companies already have rich databases, we have to put together the database with a goal that is customer communications centered. This is often the challenge, because most companies, except those who have traditionally treasured customer service as a core business value to harness, neither understand the importance and hence a need to redesign or construct the customer centered database to provide better customer care, nor have the strong vision to pursue such innovative and competitive need of marketing.

An example of a rich extensive marketing database built for direct

Marketing, lacking this principle is when we do not collect customers email addresses, with a specific permission to communicate for a certain type of communications.

### **A Customer Service Centered Business Rules**

Because the fundamental principle of CRM is about "gaining revenue and profitability by providing personalized products and services, in a larger sense providing exceptional relevant and real time customer service", the rules in constructing the database and developing the associated analytical services need to be centered on the customer service. For example, if the customers, for whom who have long term relationship shall have business rules that recognize their above average value for the organization. For example, for such customers, the reps themselves should have the decision making power based on the data that they see on the screen. There may be limits to their decisions, but it is important to identify the 80% of the customer satisfaction issues that are due to 20% of the conflicts situation that could be handled by representatives successfully. Once the service reps are empowered to deliver their service to the satisfaction of the customers, the speed and the decisiveness with which we will be able to handle the delivery of personalized products and services will show up in the valuable business metrics. And, hence, the database construction, business rules, and the decision rules that we want to develop for the representatives have to be centered on delivering personalized, relevant and timely products and services.

### **Single View of the Customers**

Construct the database with a view to make sure that we will be able to see the same consumer with all his preferences and all his campaign results and the scores on all the dimensions of offers, channels, products, disease states, service categories, and other business units.

It is easier and important to do this in the beginning of database construction; at least construct the database flexible enough that we can always add the modules for these additional requirements, when the needs arise. New technologies, relational databases will go a long way in achieving this requirement.

## Single Optimum Data Capture at the First Interaction

Fundamental to the single view of the customer is the single data capture mechanism at the time of first interaction the consumer has with the organization.

This is very essential and in practical terms this is defined by the vision document, and the implementation strategy document. For example, a cursory list of data capture might indicate the following, though this should be particularized for a specific portal.

Name  
Address1  
Address2  
City  
State  
Phone Number  
Email address

Of course, this introduces certain privacy issues with the capturing and handling of the data and the recommendation is to collect only if the business model needs this and the legal aspects of the business model allow us to capture. The important issue is that we will not annoy the customer by asking them to complete the same privacy sensitive data, as many times as we have the number of consumer portals, typically differentiated by products.

In the case of health care, the products are so strong and unique in their marketing activities, the integration of different product portals with in the same corporation neither happens nor easy with FDA requirements. However, if the customer is willing to get cross/affinity product information, it is still acceptable to get the databases integrated.

It is also important that we assure the customers that this data will be immediately encrypted, will not be shared with any one else, and utmost care will be taken regarding the transit of the data. The common practice to identify the customers is through password and their associated email ID in case of web services. So, in the case of pharmaceutical marketing, if they come to another patient care center with in the wider corporate-customer portal, we do not need a separate data collection procedure and a separate integration process by making sure that the same individual is registered once and the

first time when they come into the wider portal.

### **End-to-End Coverage of Customer Interactions, data, decisions, actions**

The database construction has to meticulously architect the complete process of how a customer is reached or how a customer reaches us, what data needs to be captured, what data needs to be validated every time a customer is interacted with, what communications or offers are made by the company, or requested by the customer, how the closure occurs on the communication and if possible ask a few focused market research questions (typically a maximum of two) at the end of the interaction.

All these data need to be posted back to the customer interaction table with channel preference, and time details. Always customer services milestone is how the closure occurred at the end of the interaction. Capture any soft-open ended information about the customer's needs and their suggestions. Be bold to ask for explanation of conflict issues and have a mechanism to quickly learn and adjust the processes. Look at each one of these interactions (unusual ones) and the statistical patterns almost on a daily basis to discern the knowledge about the customers to the management.

This end to end looping of interactions, data, analysis, insights, choices or options desired, interactions will give rich real time intelligence about your customers. These data, interaction, intelligence cycles need to be tightly connected and used on a regular basis - the best customer service companies do this on a daily basis.

### **Multi-channel Integration**

With the advent of WEB, and customer interaction self-service solutions, it has become common to provide "service however you want to reach us and whenever you want to reach us" paradigm.

Nowadays, customers are given an opportunity to interact with the company, in any of the channels of communications, Telephone, mail, web, and companies in turn take the burden of recognizing the customer with out difficulty and provide a consistent service with out getting mired with the differences in their technological connectivity.

While this promise is not difficult to achieve, the backend and the front end to achieve these channel independent service is significantly a database integration issue and CRM solutions will have to leverage these opportunities to be competitive. Once this is achieved we are automatically into the world of real time CRM data architecture.

## **Conclusion**

In short, to construct a right infrastructure and to get full benefit out of such infrastructure, and to move to best practices in analytics needs best practices in database architecture. To do that, we need to think "integrated databases", "Single view of the consumer in the data architecture", "constant evaluation of patterns of consumer behaviors" and "relating all the customer and partner metrics tightly to the ROI measurements".