

by Barbara Elmore

The warm and fuzzy lyrics of "Getting to Know You" sung by Deborah Kerr in the 1950s was meant to inspire the notion of "feeling free and easy" as a schoolteacher became more acquainted with her young charges.

Today, getting to know you is the hallmark of customer relationship management (CRM). And while the goal is to know you enough to make you feel "free and easy," as the song says, CRM becomes complicated as it takes on competing consumer desires.



Defining the term "CRM" succinctly helps. Jeff Tanner, associate dean of Research and Faculty Development and professor of Marketing, often uses the words of Paul Greenberg, author of *CRM at the Speed of Light*, to dissect the meaning. The author calls it "...a philosophy and a business strategy, supported by a technology platform...designed to engage the customer in a collaborative conversation in order to provide mutually beneficial value."

To this Greenberg adds, "...It's the company's programmatic response to the customer's ownership of the conversation." Complications arise when people forget those last five words that emphasize CRM is a "conversation" that the customer owns.

"CRM is how we treat the customer, what we offer the customer, how we talk with the customer, how we create systems to improve our interactions with the customer," Tanner said.

And since CRM requires interaction to work, the businessperson must understand who the customer is, what he wants and how the business can fulfill his desires. Merchants do this by watching shopping behavior on websites. They see what customers look at and for how long, as well as the order in which they shop. Content analysis occurs on blogs, tweets and Facebook posts.

While critics might call this an invasion of privacy, CRM experts maintain that businesses can collect and store customer information ethically if they are being transparent and honest. Tanner noted customers also benefit when the merchant has the ability to predict what they want next and give it to them.

For example, Tanner works with outdoors store Cabela's, which collects data from a variety of sources. The store combines the information in a model so that Cabela's can predict what the customer wants next. Such prediction means the merchant is not sending camping information to customers who have never shown interest in camping. The customer gets information that is both relevant and timely, and the company benefits when it sees higher response rates to its offers.

Safeguarding customer information requires not only a plan but also a place — a service provided by companies like Teradata. The data and enterprise analytics company offers a warehouse for customer information, and treating information ethically is just good business, Shirley Hunter said. Hunter is a Baylor graduate, has worked for Teradata 30 years and is vice president in charge of Teradata's Capgemini Global Partnership.

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"We provide solutions that assist businesses in gaining insight about their customers and create an opportunity to add relevance to every interaction," Hunter said, "and we believe there is a strong relationship between corporate performance, corporate behavior and ethics in business. If you do the right thing for your customers, they will reward you appropriately. Our business results are a testament to this approach."

The Ethisphere Institute, an international think tank dedicated to corporate responsibility, echoes those words. Using the slogan, "It can pay to be ethical," the think tank lists the "World's Most Ethical" companies on its website. Teradata has made the list two years running. That recognition "speaks to the core of what Teradata is about," Hunter said.

Another way of learning about consumers comes through permission-based digital data collection and reporting, which is the business of e-Rewards, Inc. (ERI). The company collects data from survey participants and respondents who choose to take part in online market research.

"We report results only on an aggregated and anonymous basis," said Baylor graduate Kurt Knapton, president and CEO.

Founded in 1999, ERI is known in the market research industry as the leader in online sampling and data collection. "We also help clients understand the demographic profile of the individuals who have participated in a survey or viewed an online advertising campaign," Knapton said.

Even though panelists give permission for data collection by taking surveys, ethical concerns can arise, he said. ERI's philosophy dictates fair treatment of panelists, which

includes protecting privacy and not asking them to do unreasonable things.

"We will turn down survey projects if we feel that they are not appropriate or respectful of our panelists," Knapton said.

Online collection of data works well if companies are honest from the start, Tanner noted. Consumer distrust arises when companies collect data for one purpose and use it for another or when the conditions for collecting information change.

"That's really the only ethical issue, but it can be manifested in a number of different ways — by giving it to someone I am not interested in talking to, for example," Tanner said. "Or you use it to manipulate me in a way that is not fair and reduces my ability to make an informed choice."

Baylor professors talk about these issues in classes that address broader topics than CRM. Students also discuss these issues from a global perspective, as data collection is more restricted in other countries.

"When teaching sales, I talk about ownership of customer data and the rights that customers grant you implicitly and explicitly," Tanner said. "This is not only a CRM issue. If you have a customer who competes with another customer, how much can you divulge? This comes up in sales, CRM and marketing research classes. It comes up throughout the marketing curriculum on a pretty regular basis."

Also, giving the consumer the option of saying "no" has to be part of the conversation.

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"In our applications and solutions, we recognize that it is important for our clients to provide the flexibility for their consumers to say, 'I don't want to participate,'" Hunter said. "We think that is a very important part of our commitment to our customers and their commitment to their consumers."

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