

Meet Planning-inc, the startup turning customer data into a competitive advantage

As part of our new quickfire questions series – or QFQs – we spoke to Stuart Russell, chief strategy officer of Planning-inc, about CRMs, CLVs, FVMs and NBAs to best understand your customers and their future behaviours.

What is the biggest misconception around CRM?

For many years now, Customer Lifetime Value (CLV) as a metric for measuring CRM success has been the norm. Many marketers swear by it and believe this approach is the key to targeting and segmentation strategies. The truth is however, that it doesn't enable businesses to truly understand customers on a deeper level.

This is because it's retrospective, in the sense that it only evaluates customers' past actions rather than predicting their future behaviour, so is only part of the 'lifetime' story. This offers a one dimensional view of a business' customer, taking into account transactional activity without analysing the more meaningful behaviour that might have led to this. This shouldn't be taken lightly, as it's an important distinction for marketers to make if they are truly

looking to build loyalty amongst their audiences. Finally, as a measurement, it lacks nuance. By treating all customers with the same CLV across the board, marketers will always struggle to operationalise this metric into meaningful campaigns.

Some businesses might think they have CRM sorted. What would you say to them and what more could they be doing?

The first thing they should do is evaluate their measurement framework. If they're currently using CLV to determine success, it's probably time for a reboot in 2022.

Future Value Modelling draws on machine learning to create operationalised, forward-looking marketing that teams can leverage to drive highly impactful campaigns. This targeted framework helps to manage customers based on their expected future value, making it simple for marketers to prioritise communications and assign promotional spend to achieve the highest ROI.

Businesses that deploy this solution correctly will be able to identify a series of game-changing Next Best Actions (NBAs) to put in front of each customer, increasing the likelihood of augmenting that customer's value. Planning-inc's clients have seen £100Ks in increased incremental revenue and a huge increase in customer retention thanks to this strategy, so it's safe to say this is the metric of the future.

This requires a substantial budget. How can marketers exceed their C-suite's expectations and unlock larger budgets for their CRM campaigns?

Marketers often work tirelessly to deliver highly creative and impactful campaigns, only to fail when it comes to measuring them correctly and reporting the actual ROI they delivered for a business. Naturally, this leaves their work undervalued or completely overlooked by senior executives and c-suite, particularly for startup businesses when budgets are tight. This can often have a knock-on effect, impacting future investment into CRM campaigns.

In order to turn the tide, CRM professionals need to develop a set of KPIs that measure the incremental value driven by programs and emphasise on long-term behaviour changes. This way marketers can reveal the true value of their campaigns, leading to a better understanding of which customers are influenced by each program. Longer term, brands need to be able to track the programs' overall ability to influence positive customer behaviour.

When implemented correctly, CRM professionals will not only have the opportunity to identify ideal prospects and tailor budgets to meet those who are most likely to convert, but be able to use this evidence to unlock more budgets from within the business.

How can CRM professionals in multi-category businesses make this work?

It used to be incredibly complex dealing with these types of businesses before the recent advances in marketing technology. Businesses such as department stores require constant management of messaging to avoid clashes and competition over customer segments, which is one of the hardest parts of the job – not to mention the increasing stress to maintain customer-centric approaches across categories.

MarTech has alleviated this pressure. As marketing tools get smarter, CRM professionals are gaining cutting edge access to planning solutions that help wrestle back the control across the organisation. It is now possible to forecast segment volumes, manage contact rules and optimise audiences in a more agile way, so marketers should have more time to focus on better, more creative marketing.

What drawbacks has COVID-19 presented to CRM strategies and how can these be overcome?

Consumer behaviour has changed dramatically over the past two years, forcing many CRM professionals to rethink their strategies. As the online marketplace becomes ever more competitive, relying on transactional relationships is simply not enough to get noticed in today's digital world. Customers want, and most importantly expect, more.

Content has become even more vital to drive this engagement with the brand and there is now an increasing need for marketers to generate more, better

quality content that is specifically for CRM and their audiences. But it's not just about the volume of content, relevancy is the key to demonstrate a connection between the brand and the consumer, and that comes with carefully turning first-party data into real competitive advantage. Those that do this correctly will manage to build a loyal following throughout the pandemic, and beyond.

However, businesses need to be careful with their CRM approaches when it comes to content. One of Britain's largest energy suppliers got it wrong when it advised customers to cuddle pets and eat porridge to stay warm, so the development of this content, and who it is disseminated to, is just as important as the strategy.

What 2022 CRM trend are you particularly keen on?

Personalisation has long been the end goal for marketers, and MarTech and data practices now enable this at scale, but this is being replaced as companies evolve their communications to focus on a more empathetic approach.

Amplifying the power of customer data and aiming towards empathy is becoming an ever-more important strategy for CRM and will augment the concept of personalisation as it currently exists. Brands that have already achieved one-to-one personalisation will now look to embrace this element to better connect with customers, contextualising communications initiatives with a broader appreciation of customers' interests, concerns and beliefs.

Marketers should also increasingly look to communicate their brands' purpose as a key point of differentiation. Customers are becoming more aware of brand values, and in turn, are seeking to understand how the companies they do business with are promoting sustainability and social responsibility. They are increasingly identifying their own values with the brands that resonate with them the most, and this is likely to continue into 2022.

Stuart Russell is chief strategy officer of *[Planning-inc.](#)*