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In my previous article, I talked about Samson and some of the mistakes that the bank made that made them lose Samson as a customer. In this article, I want to expose five main reasons why organisations keep losing customers. [I will also do this using the Samson example](#) as I did in my previous article.

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First and foremost, increasingly sophisticated customers like Samson are demanding that companies demonstrate that they understand their value as customers; this is, in turn, driving companies as CRM.

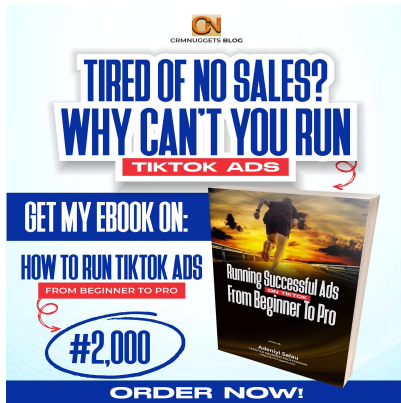
Samson's first bank made many mistakes – the worst of which was not learning from poor dealings with him, anticipating his needs and tailoring future interactions accordingly.

Other mistakes include:

#1 Not empowering customer service representative

The first issue is that customer service representatives are not empowered. They are not empowered to resolve Samson's issue. You should know that

effective CRM requires a holistic approach to managing interactions with customers.



Service representatives must understand the objectives of the organisation with respect to its customers.

They must be educated about the importance of CRM to the organisation. They must be judged and compensated on customer-oriented measures such as customer satisfaction.

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And they must understand the vital role they play in retaining good customers imparting valuable information and product offers to these customers and

gaining permission to engage in a dialogue that allows a continuous two-way flow of information between the customer and the organisation.

#2 Non-implementation of a customer service organisation

Also, not implementing a customer service organisation that facilitate the seamless personalised service that sophisticated customers like Samson demand.

While some organisational structures facilitate CRM, others impede it.

In Samson's eyes, the credit limit, the late fee, the finance charges and the inability to talk to a single customer service representative are all features associated with his credit card.

In the bank's organisation, the credit department handles credit limits, the collections area handles late fees and finance charges, and the customer service center interacts with customers.

A problem like this is compounded when organization has multiple customer service centers

for different products, distinct channels such as the internet and brick-and-mortar stores that are not fully integrated, or service, sales, and marketing organizations that operate independently.

The dramatic reorganization may be out of the question; however, your company can take steps to ensure that someone is responsible for the cross-functional coordination required in CRM.

#3 Not Developing Integrated Technology

Also, not developing the integrated technology environment required understanding Samson's true value as a customer and not distributing this information to customer [contact points](#).

As the example indicates, CRM requires integrated customer information at the enterprise level.

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Without comprehensive customer information, the bank can't determine who its

best customers are or what products these customers own, and business strategies such as customer service activities cannot be tailored to acknowledge the importance of the customer.

In a company actively moving toward CRM, there will be an increasing demand to share customer information across business units.

Satisfying this demand will require a technical architecture such as Corporate Information Factory to facilitate the integration and distribution of customer information to all points of customer contact.

#4 Lack of executive sponsorship

Another one happens when you do not get executive sponsorship for CRM. In the case of Samson's original bank, several factors point to a lack of executive support for CRM. First, a strong complaint directed at the office of the president received no response.

Second, the service representative had no interest in preserving customer satisfaction.

Third, the service organization was not set up to provide seamless customer service to customers.

#5 Executive mandate

The executive mandate is one of the most important factors in CRM success. Executive support facilitates the sweeping changes needed to achieve effective CRM.

Without executive backing, it will be almost impossible to implement cross-functional business strategies, adopt a CRM-friendly structure and culture, and fund the integrated customer systems that support CRM.

The technology exists today to facilitate truly seamless global communications among customers, suppliers, geographically dispersed business units, and even competitors.

Today's healthy economy and recent deregulations are combining to provide an increasingly level playing field in many industries with competition in some instances coming from non-traditional sources.

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With so. many options to choose from, consumers can afford to be demanding, and organization must be in a position to profitably satisfy these demands.

Action Point

PS: I know you might agree with some of the points raised in this article or disagree with some of the issues raised.

Please share your thoughts on the topic discussed. We would appreciate it if you could drop your comment. Thanks in anticipation.

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