



WORDPLAY

Some marketers have shifted from **CRM** to **CMR**, where digital has given the customer more power than ever before.

Marketers have long referred to one strategy to help them connect to consumers: CRM, or Customer Relationship Management. In years past, some brands have taken a slight shift in a different direction and moved on to CMR, which stands for Customer-Managed Relationships. In today's digital world, however, this takes on an even more powerful meaning than it did when the concept first came out. But is this just semantics or does this slight shift in focus – and, arguably, power – make all the difference in today's complex market?

Some agencies, like RAPP, the digital creative agency that recently partnered with

local agency Evoke, put CMR at the core of its business. RAPP Middle East's Chairman Najam Khawaja says, "When I say we are the next generation agency, it means both that we are the right people as well as [the right] technology, knowledge and attitude."

In a talk during the unveiling of this partnership, RAPP Worldwide CEO Alexei Orlov explains, "Customer-managed relationships deliver real value to real people in real time, by enabling today's opt-in culture to manage their interactions with brands on their own terms."

Putting it simply, the change from CRM to CMR is a power shift in who manages the

relationship between consumer and brand. But when did this transition take place and what was it about the current landscape that called for some companies to make this shift?

Orlov says, "Now, people can command a voice like never before." Formerly, it was up to brands to take up the initiative to develop customer relationships; however, today, digital empowers consumers to both opt in and out and, therefore, the ball is almost completely in the customers' court.

Orlov explains that, in the current market, there are two types of customers. There are those who are available, which is every consumer

who has purchasing power, the same customers that CMR targeted in the past.

But, he argues, the other type, the addressable market, is essential: these are the people who have opted in to a brand's message. He says, "People want the privilege to opt in to things they like. Brands need people more than people need brands. Most people don't love brands – they will work with a brand that adds value."

But do customers really have all the power? And, if so, didn't they always? Managing director at RAPP Middle East Diksha Dua maintains that customers do, in fact, have all the power and, now, they also have the right technology and platforms to ensure that their voices are heard.

However, how big is this idea and how closely related is the old format to the newer one? "CMR is an evolution of CRM," Dua explains. "CMR is a targeted approach that combines precision and empathy to deliver on customer-managed relationships by leveraging insights that drive a consumer-motivated response."

Dua goes on to talk about how RAPP implements CMR on a day-to-day basis: "CMR, from a strategy perspective, is about helping reach the addressable market. It is about delivering that five per cent of magic that differentiates an experience and helps to perfectly align brands and people."

Today, digital platforms have certainly given rise to a powerful consumer; therefore, the shift is a natural evolution. Dua says, "Current business context requires that industries move to responding to four key forces: digital disruption based on technology and accessibility; the death of the cookie and the opt-in culture; marketing that matters; and an outcome-driven economy based on the value delivered."

But Orlov points out that brands aren't thinking about budgets in a way that will optimise CMR. He says, "Now, clients are thinking about their budgets separately: digital, CRM or advertising." He also believes clients should not withhold 20 per cent of budgets

for what they're calling 'contingency', which almost suggests they are planning for failure. Instead, he says, "They should have a pivot budget; digital is about pivot, because so many things can change instantly."

Khawaja agrees that locking in budgets is not the best way forward, "Pigeonholing money locks up the agency talent into a certain thought process. If you've already inked out where you're going to spend the money, you've already provided solutions that you think are right for the problems you're going to be facing for the rest of the year. You're already predicting what's going to happen – we know you can never predict [that] and it creates dishonesty."

Flexible budgets are more important than ever in a digital age, because, as Orlov points out, "People could say something about a brand that can be phenomenally terrifying

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ALEXEI ORLOV

and the brand needs to do something. Preset digital budgets are stupid."

He explains that brands and clients need to think about two things when it comes down to it: "How do you represent the customers that are loyal? Because, if you ask any retailer, they will tell you that 90 per cent of their profit comes from loyalty. And then, what are you going to do to acquire new customers?" It sounds simple, but as they say, it's easier said than done. ■

