

Customer Relationship Management or Cynical Manipulation?

 By [Peter Gilbert](#)

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A wearied and disillusioned customer of a local bank, observing his bank's enthusiastic endorsement of customer relationship management in their advertising, recently commented that this was somewhat akin to a group of serial rapists trying to organise candlelit dinners for their victims.

He has a point, and many bank executives have simply failed to grasp the fact that caring about customers is fundamental to CRM. Marketing sage, Philip Kotler, sums it up succinctly when he says: "Marketing is not the art of finding clever ways to dispose of what you make. Marketing is the art of creating genuine customer value. It is the art of helping your customers become better off. The marketer's watchwords are quality, service and value."

CRM is supposed to be the epitome of customer orientation but, instead, it is a cynical attempt to cash in on the financial rewards of creating close connections with customers. Banks and other organisations have forgotten that the R in CRM is for Relationship, and that relationships are two-way affairs. If banks want loyalty and commitment from their customers with the attendant financial benefits, they have to provide genuine value, loyalty and commitment in return. Recent press reports confirm what every consumer knows - banks simply don't care.

In fact, banks' obsessions with technology, internal efficiency, and cost reduction have created an intense internal focus. Senior executives seldom call on customers - and then usually for the wrong reasons. Relationship managers don't manage relationships - they chase deals or facilitate transactions. Banks don't care about managing customer relationships - they care about managing risks.

Furthermore, banks have forgotten that customers have a limited capacity to form long-term, committed relationships. But hotel chains, retailers, airlines, telephone companies, credit card issuers, insurance companies and other suppliers, clamouring to become their relationship partners, besiege these very same customers. In many cases, customers have absolutely no desire for dialogue, mutual value creation or any other form of engagement with suppliers. In my case, I do not want to engage with Procter and Gamble in a relationship around my toothpaste or Kimberly Clark around my toilet paper. And thankfully, they do not seem much interested in engaging me in this discussion.

So perhaps it's time banks were more honest with their customers. We simply don't buy all of that florid prose about long-term relationships. It is clearly absolute nonsense. Banks simply want our money. So tell us that and tell us why the deal is a good one, and then deliver on your promise.

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