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The State Of CRM In Asia Pacific

APAC Insights From The August 2021 Thought Leadership Paper, "The State Of CRM: How Organizations Are Meeting The Future Of Work With The Next Generation Of CRM"

Executive Summary

Good customer experience (CX) directly impacts a business's bottom line: For every 1-point gain in Forrester's 100-point CX Index, businesses experience 1.3% higher retention, 1% higher enrichment, and 1.3% higher advocacy.[1]

Customer relationship management (CRM) systems are a critical driver of good CX. They offer a single source of truth and a unified view of customer information. These systems ensure customers have consistent experiences across touchpoints, and employees appear as one unified front to their customers. CRM systems enable employees to navigate the future of work, where they may be working with colleagues scattered across homes and offices, and build resiliency into the business.

How are organisations in APAC using CRM systems to strengthen their CX delivery? What challenges do they face in the process?

In May 2021, Salesforce commissioned Forrester Consulting to evaluate the current and future state of CRM system adoption, uses, and experience. Forrester conducted two global studies to explore this topic: one focused on 795 executives at small and medium businesses (SMBs) and enterprises and one focused on 1,476 employees at SMBs and enterprises. This spotlight takes an in-depth look at the responses of the 164 executives and 319 employees in Australia and New Zealand (ANZ), India (IN), and Singapore (SG).

Key Findings $\longrightarrow$

Key Findings

Embedding a shared CRM system into all teams creates better CX. When all teams across an organisation use a shared CRM platform, they are more likely to provide exceptional CX to their customers. A consistent deployment of a shared CRM system across all departments and processes provides customer-facing teams with easier access to actionable data upon which to build impactful experiences for customers.

CRM systems empower employees to improve customer satisfaction and create more value for their organisations. Sixty-one percent of employees in APAC noted a more effective CRM system — one that all teams, departments, and processes utilise — would help them improve customer interactions, grow sales, and create more value for their organisation.

AI and automation allow employees to focus on the work that matters most. As CRM systems move into the future, they must grow beyond just being repositories for basic customer account information: 54% of APAC executives reported their organisations are looking to integrate AI to help them deliver more personalised customer experiences, and over 40% of employees noted that AI insights and recommendations would make them more effective at their job.

CX Needs Are Evolving And So Should CRM Systems

The COVID-19 pandemic has forced all businesses to adopt new ways of working and engaging with customers, but one thing remains constant: Businesses are forging ahead to deliver exceptional customer experiences.
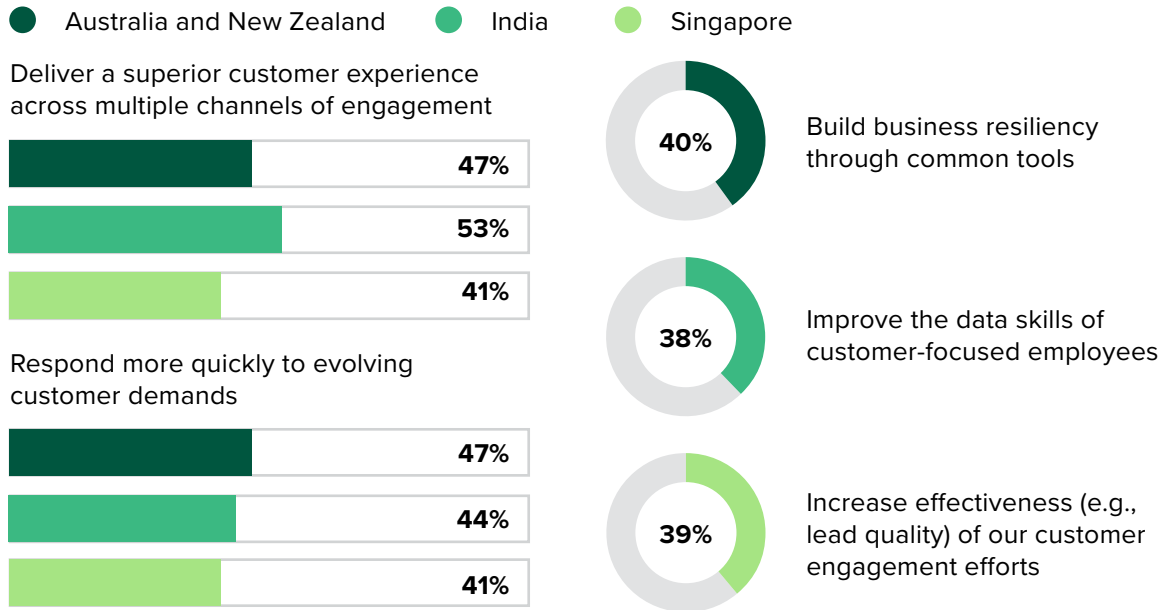
- **In APAC, businesses are putting CX front and centre as they navigate through pandemic recovery.** Fifty-four percent of APAC respondents said that the pandemic has forced their organisations to adapt their go-to-market strategy for customer-focused initiatives. While organisations in the region are focused on improving CX, they are driven by slightly different priorities depending on where they are located. Leaders in ANZ reported that over the next 12 months, cost control will be a key focal point of their CX initiatives, while executives in India plan to focus on customer retention and leaders in Singapore want to use their distinctive CX to set themselves apart from competitors (see Figure 1).

- **Customer expectations are rising but businesses are struggling to maintain good CX.** More than half (57%) of APAC executives reported struggling to maintain good CX with the shift to remote work. Customers have become more digitally savvy and use more channels than before throughout their purchase journey, but organisations struggle to keep track of these journeys. Seventy-one percent of APAC executives said that customer data originates from too many sources to easily make sense of it. As a result, 54% shared that their customer teams can't access actionable insights in real time, a problem most prominent in ANZ with 75% executives feeling this way.

As they look ahead to the next 12 months, executives across APAC are set on the same goals of delivering superior CX across all their channels of engagement, and responding more quickly to evolving customer demands.
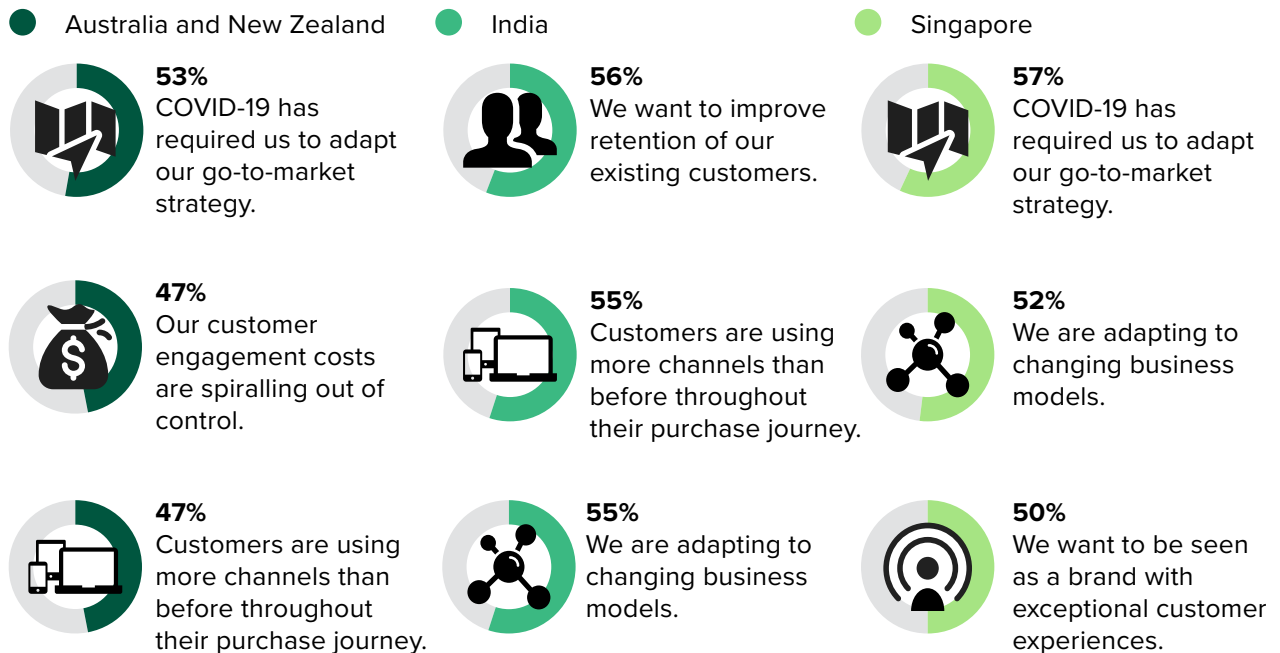
Figure 1

"Which of the following are likely to be your organisation's top customer-focused initiatives over the next 12 months?"

● Australia and New Zealand ● India ● Singapore

Deliver a superior customer experience across multiple channels of engagement

- 47%
- 53%
- 41%

40% Build business resiliency through common tools

Respond more quickly to evolving customer demands

- 47%
- 44%
- 41%

38% Improve the data skills of customer-focused employees

39% Increase effectiveness (e.g., lead quality) of our customer engagement efforts

"Which of the following, if any, are the key drivers for your current top customer-focused initiatives?"

● Australia and New Zealand ● India ● Singapore

53% COVID-19 has required us to adapt our go-to-market strategy.

56% We want to improve retention of our existing customers.

57% COVID-19 has required us to adapt our go-to-market strategy.

47% Our customer engagement costs are spiralling out of control.

55% Customers are using more channels than before throughout their purchase journey.

52% We are adapting to changing business models.

47% Customers are using more channels than before throughout their purchase journey.

55% We are adapting to changing business models.

50% We want to be seen as a brand with exceptional customer experiences.

Base: 164 decision-makers at SMBs and enterprises in APAC
Note: Showing top 3 responses
Source: A commissioned study conducted by Forrester Consulting on behalf of Salesforce, June 2021

- **The shift to remote work has also created productivity, access, and communication challenges.** In APAC, over half (60%) of executives noted that they were unable to maintain their customer engagement levels during the shift to remote work because their CRM systems were not well integrated and accessible. These challenges are similarly reflected by employees. For instance, workers in Singapore were far more likely to report that the shift to remote work has caused communication and coordination challenges, while workers in India were most likely to face productivity challenges. This is largely due to remote access issues, as Indian workers are almost 1.5x more likely to report that they can't access their CRM system while working remotely. Conversely, ANZ workers reported feeling well adjusted to remote work, although about a quarter struggled with remote access issues, too.

CRM systems are a vital technology that help businesses keep up with evolving customer needs. Well-integrated, accessible CRM systems connect far-flung employees and teams with a single source of truth about customers, enabling them to deliver a seamless CX. With enhanced workforce resiliency, executives can more easily adapt go-to-market strategies during times of change or uncertainty.

3 in 5

executives were unable to maintain customer engagement during the shift to remote work.

Embed A Shared CRM System Across Teams For Consistency

With its ease of integration, businesses can connect multiple applications with their CRM system. This provides different teams a consolidated view of their customers and sales operations, enabling them to provide exceptional CX. But the value organisations get out of their CRM systems also depends on how they are using it.

- **In APAC, CRM use cases are still largely transactional in nature, and there is limited adoption of more advanced use cases.** Executing online transactions and collecting account/customer information are the top use cases for CRM systems within the region. However, not many organisations have implemented more advanced use cases and applications that would further improve employees' experience. Less than half have integrated office productivity capabilities (e.g., email, conferencing, document management) with their CRM solution, and only one-third use their CRM system to enable hyperpersonalised customer engagements. ANZ organisations, in particular, lag behind their peers in this regard with only 25% augmenting employee processes with AI or machine learning (ML) recommendations, compared to 36% and 39% for firms in India and Singapore, respectively.

- **Integration of tools and data needed to help build a single view of customers.** Across the region, about one-third of employees said they struggle with internal collaboration/silos, which negatively impact the quality of their customers' and prospects' experience. To that end, 74% of executives and 71% of employees saw significant or indispensable value in having a single source of truth for customer data. This is further underscored by the fact that only 24% of employees and 41% of executives felt that their CRM system provides a single source of truth today. Moreover, CRM usage is not consistent among teams: Tools are poorly integrated

71%

of employees saw significant or indispensable value in having a single source of truth for customer data.

across departments, and silos limit the utility of their CRM systems. This is a top challenge across all markets. In particular, 50% of APAC employees said CRM tools are not well-integrated across teams, and 42% of ANZ employees said, "Not enough teams at my organisation use it to make it valuable." In addition, 57% of Singaporean executives reported that there is low adoption of CRM across teams.

The more teams that are connected on a shared CRM, the greater the customer and employee benefit. When shared CRM systems are used across all teams, organisations are 9% more likely to provide exceptional CX than those where only some teams use CRM systems. Organisations in APAC need to examine the inconsistencies employees report. This could stem from a lack of understanding on the use of CRM systems, as employees across all markets cite "Better onboarding and training for how to use our CRM system(s)" as a way to help make their CRM system more effective.

Drive CRM Adoption And Success With Training And AI-Powered Automation
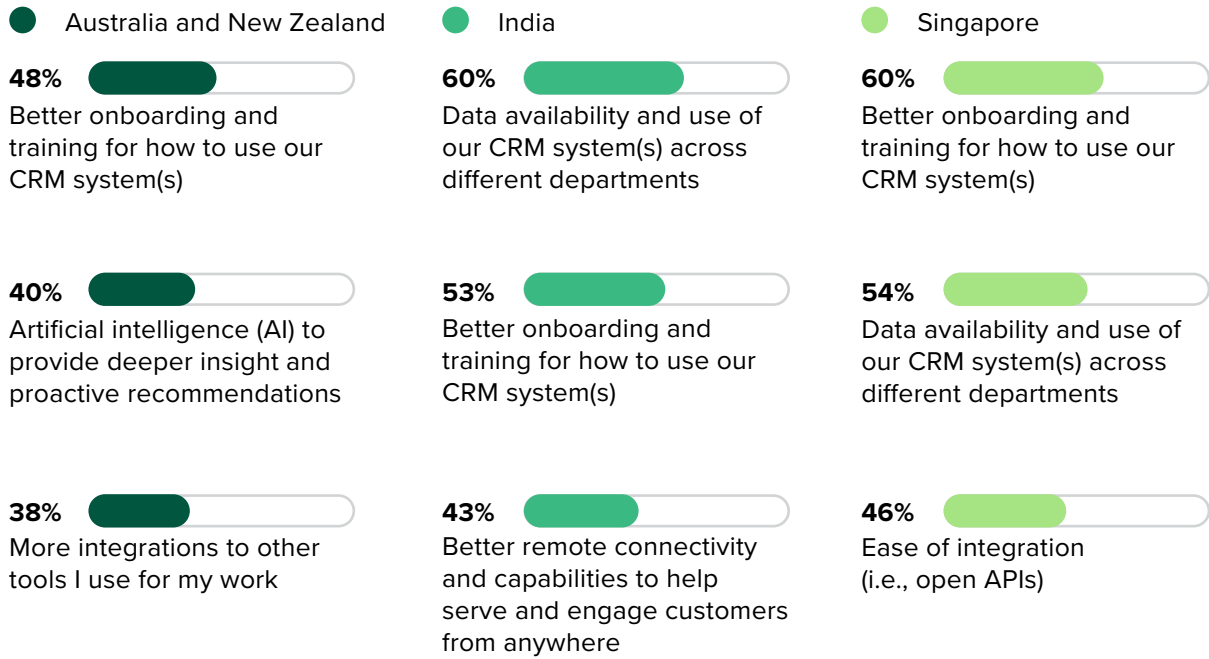
CRM systems are as vital as ever for the future success of businesses — 81% of executives in APAC expected CRM system use to expand beyond sales and service/support over the next three to five years. This is highest in Singapore at 87%, followed by 82% and 75% in India and ANZ, respectively. Seventy-nine percent of APAC executives also noted that their organisation's CRM system is instrumental in enabling their organisation to deliver seamless customer experiences. CRM systems are the key to good customer experience and, in return, business growth. But success relies on prioritising training programs and more automation, which may then improve overall adoption rates within the organisation.

- **Employees are calling for more integrated, unified tools, and better training.** Fifty-three percent of employees in APAC said that better onboarding and training would be the most impactful in helping them use their CRM system more effectively (see Figure 2). Nearly as many employees (52%) noted that better cross-team adoption of CRM systems — and therefore better data availability — is also critical. Overall, employee training and data integration across teams will also improve the utility and, thus, the value that organisations get out of their CRM systems.

> While executives in ANZ and India both rank **trust and security** as the top criteria for CRM systems, this comes in at #4 for Singaporean executives.

- **Executives value security, flexibility, and automation as the most important criteria for CRM systems today.** While trust and security are the top criteria that executives use when evaluating CRM systems, work-from-anywhere connectivity (i.e., built-in business resiliency) and advanced capabilities such as AI insights and automation are close behind as the second- and third-most important criteria used to evaluate CRM systems. Executives want to make sure that employees can access the data they need, whenever and wherever they need it. However, while trust and security may be important to ANZ and India, executives in Singapore put a lower priority on it, and only 39% of executives said it is an important criterion. Having a robust partner ecosystem, such as certified service providers, matters more.

Figure 2

"What would make your CRM system(s) more effective?"

| ● Australia and New Zealand | ● India | ● Singapore |

48%
Better onboarding and training for how to use our CRM system(s)

60%
Data availability and use of our CRM system(s) across different departments

60%
Better onboarding and training for how to use our CRM system(s)

40%
Artificial intelligence (AI) to provide deeper insight and proactive recommendations

53%
Better onboarding and training for how to use our CRM system(s)

54%
Data availability and use of our CRM system(s) across different departments

38%
More integrations to other tools I use for my work

43%
Better remote connectivity and capabilities to help serve and engage customers from anywhere

46%
Ease of integration (i.e., open APIs)

Base: 319 employees at SMBs and enterprises in APAC
Note: Showing top 3 responses
Source: A commissioned study conducted by Forrester Consulting on behalf of Salesforce, June 2021

- **As they adapt and move into the future, firms are prioritising investments in AI and automation.** Close to 40% of organisations in Singapore and India are already using AI-driven insights to augment employee processes. While only 25% of ANZ organisations have deployed AI to their CRM systems, they will soon catch up with their peers in the region. Fifty-five percent reported that their organisations plan to add this capability within the next two years. By 2023, 73% of organisations in APAC will be using AI-powered automation to enable easier customer engagement, and 80% will be using AI-powered automation to relieve employees of repetitive day-to-day processes, allowing them to focus on work that truly matters.

Key Recommendations

Build customer trust to improve resiliency and sustainability.

To remain competitive, companies need to put customers at the centre of every engagement. To do this, companies must leverage modern CRM to support customers through their end-to-end engagement journeys across channels and touchpoints. Companies must empower front-office personnel with a unified view of customer data so that they can deliver consistent and personalised engagement. Easy access to this customer view ensures that businesses can sustain operations, preserve their brand, and do the right thing for their customers when faced with disruptions to standard business operations. Consistent and highly personal engagement builds trust and loyalty, which manifests as increased customer retention and revenue.

Use an integrated CRM system to support customers throughout their journey.

Customers expect highly personal interactions. They expect any company employee with whom they interact to have a full understanding of who they are, their value to the organisation, and where they are in their journey. CRM users on the frontlines can't serve modern customers using CRM applications that are disjointed or only support part of the customer lifecycle. Unify CRM applications and support role-based views to ensure that customers receive the experiences that they expect. Enrich customer profiles with data from second- and third-party sources to build out a more holistic picture of each customer. Also, look to extend CRM with marketplace applications to support the customer's full journey. Marketplaces contain an ecosystem of point solutions such as e-signature capture, automated data capture, dialers, and schedulers — to name a few — that extend and enhance the power of core CRM.

Use modern CRM to best support and up-level all customer-facing employees.

Great customer experiences rest on great employee experiences. There are a few ways organisations can leverage new technologies to empower employees to work more efficiently. These include automation to offload repetitive tasks and streamline employees' focus on to the most impactful customer interactions; AI to guide customer-facing teams through the best actions and conversations; journey analytics and customer intelligence to improve customer understanding to drive the best actions; visual technologies and mixed reality to enable more effective customer engagement; collaboration tools to facilitate group work; and cloud platforms to provide extreme scalability — to name a few.

Invest in a robust change management program to optimise CRM adoption and ongoing innovation.

CRM deployments often fail to deliver expected results because employees don't adopt the solution. They don't understand the value that CRM can impart to their jobs. They also often don't know how to use the platform's features because of inadequate training. Invest in an onboarding and training program to explain the value of CRM to every employee who will be impacted by this change. Recruit users who will give you feedback on usability and features throughout your project. Remember that CRM success does not end at rollout. Gather user feedback and incorporate them into new releases to best support all users and continually innovate.

Appendix A: Methodology

In this study, Forrester conducted two online surveys to explore this topic: one focused on 795 executives at small and medium businesses (SMBs) and enterprises and one focused on 1,476 employees at SMBs and enterprises. This spotlight takes an in-depth look at the responses of the 164 executives and 319 employees in Australia and New Zealand (ANZ), India (IN), and Singapore (SG). Respondents were offered a small incentive as a thank-you for time spent on the survey. The study began in May 2021 and was completed in June 2021.

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Appendix B: Endnotes

[1] June 8, 2021, "It Takes Hard Data And Soft Power To Ensure CX Success," CX North America.

Appendix C: Demographics

EXECUTIVES' GEOGRAPHY	
Australia/New Zealand	**34%**
India	**34%**
Singapore	**33%**

EXECUTIVES' COMPANY SIZE	
100 to 499 employees	**20%**
500 to 999 employees	**34%**
1,000 to 4,999 employees	**19%**
5,000 to 19,999 employees	**20%**
20,000 or more employees	**15%**

EXECUTIVES' INDUSTRIES	
Manufacturing	**12%**
Technology	**10%**
Retail	**10%**
Communications	**9%**
Consumer product goods	**9%**
All other	**50%**

EXECUTIVES' TITLE	
C-level executive	**17%**
Vice president	**38%**
Director	**46%**

EXECUTIVES' BUSINESS MODEL	
B2C	**37%**
B2B2C	**27%**
B2B	**29%**
Combination	**9%**

EMPLOYEES' GEOGRAPHY	
Australia/New Zealand	**32%**
India	**35%**
Singapore	**33%**

EMPLOYEES' TITLE	
Manager	**59%**
Full-time practitioner	**41%**

EMPLOYEES' BUSINESS MODEL	
B2C	**39%**
B2B2C	**21%**
B2B	**25%**
Combination	**16%**

EMPLOYEES' COMPANY SIZE	
100 to 499 employees	**21%**
500 to 999 employees	**29%**
1,000 to 4,999 employees	**25%**
5,000 to 19,999 employees	**17%**
20,000 or more employees	**12%**

EMPLOYEES' INDUSTRIES	
Manufacturing	**14%**
Technology	**11%**
Consumer product goods	**10%**
Retail	**9%**
Professional/business services	**9%**
Healthcare	**8%**
Architecture, engineering, or construction	**7%**
Financial services	**7%**
Supply chain and logistics	**6%**
All other	**19%**

To read the full results of this study, please refer to the global Thought Leadership Paper commissioned by Salesforce titled, "The State Of CRM: How Organizations Are Meeting The Future Of Work With The Next Generation Of CRM."

Read the full study