

CRM Helps Amazon Dominate the Business Jungle

Lee Stuart

Management Consultant and editorial contributor for PGRI

For years, business executives expressed concern over the “800-pound gorillas” in their industries, those big, powerful, dominant companies that could operate seemingly without regard for their competitors. In this new era of sophisticated multi-national organizations, one company has attained “gorilla” status, but the 800-pound description seems inadequate. Today, Amazon is the **80,000-pound** gorilla in the rapidly evolving world of fulfilling customers’ needs. And Amazon has grown into this position because of its deep understanding of CRM.

What distinguishes Amazon from many adept competitors is its understanding of individual customer needs – CRM writ large. Amazon typically knows what its customers want and need even before the customers know themselves!

Amazon’s elite knowledge of CRM clusters into four instructive categories, all of which can be operationalized for Lottery:

1. **Data collection**
2. **Personal data storage and security**
3. **Recommended purchases**
4. **Self-service customer support**

When a customer creates an account on Amazon, he/she is opening a gateway for the company to **collect data** on their geographical location, their shopping and purchasing behavior, their responses to marketing and promotional initiatives, and a host of other points that are combined to make each subsequent interaction with Amazon a truly individualized experience. Amazon’s CRM capabilities enable the company to strategically connect enough information about behavior from one area of your life to make predictions about what you might need in another. Did you just have an Amazon book of baby names sent to your home address? Well, asks Amazon, would you like to see some rocking chairs for the nursery?

Amazon has erected a fortress around **customer data**, and although its system contains a few vulnerabilities – notably

third-party sellers doing business on Amazon’s parent platform – tens of millions of customers trust Amazon to protect their identities and confidential information. Amazon does not hesitate to downgrade or eliminate third-party sellers who fall short of CRM expectations. Refunds are required of those third-party sellers, and if Amazon itself makes a mistake, it corrects it immediately, frequently before the customer even knows about it.

Amazon is best-in-class at **recommending purchases** to customers based on their shopping history. Customers appreciate the “customers who bought this item also bought” feature. This “social proof” is a powerful tactic that consistently boost sales for Amazon and generates high customer retention rates.

With many companies, “self-service” **customer support** is about as much fun as a toothache. But with Amazon it is clear, easy, and fast. It actually saves customers time when compared with calling a customer representative. Customers have access to their own account history so they can view orders, the shipping status of parcels, payment history, and transaction cancellations in a single web location. Customers can upload gift certificates, reserve items for future purchase/shipment, and establish “wish lists” for others to view when it comes to gift-giving time. Amazon possesses a vast library of “help” information, too. But if you must speak with a representative, all you have to do is request to be called at a time that is convenient for you.

Amazon’s customer relationship management system was developed in-house to suit its unique requirements. Amazon’s one-click ordering process, made possible by the secure warehousing of credit card, shipping address, and other personal information, is the industry leader.

Amazon’s easy user interface also contributes to customer retention. Using high-quality images of products, accurate descriptions/specs, plainly visible pricing, customer ratings, peer reviews, and a

checkout process of elegant simplicity, Amazon’s interface drives market-basket averages and repeat business.

What Can Lottery Learn from Amazon?

Even though most businesses, including Lottery, do not share all the same sales and fulfillment dynamics of Amazon, there are several benefits in developing outstanding CRM systems.

Think of CRM as existing on a continuum, with basic data capture and transactional excellence on one end, and customer intimacy – deep knowledge of each individual customer’s habits, wants, and needs – on the opposite end. To take steps toward achieving customer intimacy, Lottery may wish to consider the following:

Continuously improve, enhance, and evolve all Lottery websites and digital apps. Stasis is the enemy in this realm – a new, fresh, vibrant digital presence is imperative.

Capture, archive, and monitor as much customer data as you can acquire. In which store did Susan buy her Lottery products? At what time? Who was the retail associate who sold her the products? What, precisely, did she buy (ex: two scratchers and a Powerball)? What is her email address, mobile phone number, and home address? Is she married? Does she have children? What is her occupation? It may not be possible to acquire the answers to all these questions, but the more information you have, the more you are able to individualize promotional and marketing messages. Maybe Susan’s “lucky” retail associate can send her a text when new Lottery products are about to go on sale. Registering Lottery players is the first, most powerful step to achieving these ends.

CRM systems can automate most marketing activities, including email outreach to customers, promotional pings on digital apps, and the clustering/categorizing of customer behavior. Every business has loyal customers and occasional customers. Focus efforts on selling more to the loyals. Develop a deep understanding of their wants and invest in their needs.

CRM also can assist in the automation and securitization of player payments, and if there is an issue, the system can flag resolution requirements.

It all comes down to knowing your customers, cozying up to them in intimately informed ways, and anticipating their desires. ■