

Gartner Reveals Key Customer Relationship Management Predictions for 2010 and Beyond

Analysts Provide Actionable Advice to Optimise CRM Strategy at Gartner Customer Relationship Management Summit 2010, 16-17 March, London and 28-30 June, Los Angeles

Egham, UK, 22 February 2010 — Facebook will be the No. 1 social network in all but 25 countries, according to Gartner, Inc. In countries such as Brazil, Russia, India, China and Japan it will not be No. 1. The prediction is one in a series Gartner analysts have made on customer relationship management (CRM) in areas including CRM marketing and social CRM.

“For most organisations, the single most logical way to differentiate the business is through great customer experiences, rather than having the lowest cost or most innovative products and services,” said **Ed Thompson, vice president and distinguished analyst at Gartner.** *“However, gaining a clear understanding on which specific customer-centric initiatives will prove decisive and merit investment will require coordination across departments.”*

CRM remains high on the business agenda for CIOs in 2010. According to the Gartner Executive Programs (EXP) 2010 CIO Agenda survey, attracting and retaining new customers will be the No. 5 business priority for CIOs in 2010.

Gartner’s predictions for CRM in 2010 and beyond include:

By the end of 2010, Facebook will be the No. 1 social network in all but 25 countries, but it will not be No. 1 in Brazil, Russia, India, China or Japan.

“Facebook membership hit 300 million in September 2009, and is roughly doubling each year,” said **Mr Thompson.** *“It is reasonable to assume that it will attain a membership of 600 million (including inactive accounts and a small number of users with multiple accounts) by the end of 2010 based on the trajectory in 2009.”* Marketers and customer service management will need to switch focus from the large number of social networks to the three or four that will dominate specific languages.

Through 2010, marketing budgets will remain flat in more than 90 per cent of companies, despite a return to growth.

CFOs are demanding increased accountability from marketing departments, often exerting unprecedented pressure to link programmes to sales results and return on investment (ROI). *“As a result, marketing organisations will need to automate operational processes and learn how to leverage technology to measure areas previously left unmeasured, enabling them to do more for less and articulate business value,”* said **Kimberly Collins, managing vice president at Gartner.** *“Marketing resource management (MRM) will become a top priority for marketing organisations, and enterprise marketing management (EMM) will take on new meaning as a vehicle for strategic planning, collaboration and measurement.”*

By the end of 2010, more than 80 per cent of market growth in social applications will centre around a business use case for improving external customer relationships, rather than improving internal collaboration.

Although the hype around any and all social media activities will continue through 2010, companies are struggling to find a business case, including hard metrics and specific business outcomes, using general social activities and generic social applications. Nevertheless, social projects evaluated by Gartner show that those with a clear and direct mutual purpose (benefits for both company and customer) were the ones likely to show measurable results. Gartner said that the social application vendors that make the transition from general purpose to support for specific business, with use cases and key performance indicators, will see double- or triple-digit growth in 2010.

By the end of 2011, more than 90 per cent of Fortune 1000 marketing campaigns will include online marketing, up from 50 per cent in 2009.

Marketers are responding to the expansion of the internet by investing in addressable branding and advertising, and contextual, community and transactional marketing. “Being online gives marketers greater access to response attribution metrics to help determine what is working and what isn't working in a campaign,” said Adam Sarner, research director at Gartner.

Gartner predicts that marketers will see a 10 to 20 per cent savings in marketing communications as a result of precise attribution metrics for campaigns. Online marketing will enable faster testing and campaign refinement, and help avoid the continued waste of funding a failed campaign, while engaging in more-thorough campaign testing prior to launch. It will improve the overall success of all marketing objectives. Both speed of analysis and response will be critical to success.

Additional information is available in the Gartner reports “Predicts 2010: CRM Marketing Is Building Demand on a Limited Budget” and “Predicts 2010: Customer Service Meets Social CRM”. The reports are available on Gartner's website at <http://www.gartner.com/resId=1233716> and <http://www.gartner.com/resId=1241016>.

About Gartner Customer Relationship Management Summit 2010

The Gartner CRM Summit 2010 delivers the leading-edge insights on how technology enables the marketing, sales, and customer service functions, adding value to the customer experience and delivering higher levels of customer satisfaction while increasing sales and saving money. Gartner analysts will provide advice and best practices for successful CRM at the annual Gartner CRM Summit 2010 in London, 16-17 March and in Los Angeles, 28-30 June.

Members of the media can register for the Summit in London by contacting Laurence Goasduff, Gartner PR, on +44 (0)1784 267195 or at laurence.goasduff@gartner.com. For further information on the London Summit, please visit www.europe.gartner.com/crm.

Members of the media can register for the Summit in Los Angeles by contacting Christy Pettey, Gartner PR, at christy.pettey@gartner.com. For further information on the Los Angeles Summit, please visit www.gartner.com/us/crm.

You can also follow the event on Twitter at http://twitter.com/Gartner_inc and using #GartnerCRM.

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