Global marketing has been a key initiative for decades, and in recent years, there has been an increased focus by U.S. companies on creating a consistent customer relationship marketing (CRM) strategy to drive growth across the globe. Top organizations are pushing CRM best practices into international markets to take advantage of the opportunities provided by the emerging middle class in countries such as Brazil, Russia, India, and China (the BRIC). However, most U.S.-based, multinational companies are finding that the secret to success is taking a deliberately phased approach to implementing global CRM. The beginning stages—whether entering a new market or optimizing existing marketing operations—involve building a solid foundation for CRM activities and acquiring strong local market knowledge and expertise.

With sluggish economic conditions in the U.S. over the past several years, U.S.-based, multinational companies have been increasingly focused on international markets to take advantage of the opportunities provided by the BRIC, which accounts for 41% of the world’s population and 20% of its GDP. Large brands have been conducting mass-market advertising programs in these countries for quite some time; however, the movement from mass marketing to a focus on customer relationship marketing is more recent. Companies have moved from “dabbling” to “mandatory” as marketers realize that building meaningful customer relationships in these countries is fundamental to future growth. A review of the ad spend between 2010 and 2016 (projected) shows just how important the BRIC is becoming to marketers. BRIC total advertising spend will grow 109% from 2010 to 2016 and is outpacing ad spend in the non-BRIC world by 3.3 times over (eMarketer, July 2012).

Challenges with CRM in the BRIC: World-class CRM programs cannot be developed in the absence of the critical enabling pillars such as infrastructure, data quality, data augmentation, business intelligence, and analytics. One of the most important aspects of developing a marketing infrastructure that supports an integrated customer experience is generating a single customer view. In the BRIC countries, it’s extremely difficult to achieve for several reasons:

- A lack of reference databases to triangulate information
- Data quality solutions that struggle to pick up the local nuances associated with name and address formats
- Flawed data capture design
- Lack of data availability

Organizations must embrace the notion that they will need to play an active role in the generation of such insight, as opposed to simply purchasing all the data they could ever need from a data broker. While other companies are waiting for the BRIC “data” marketplace to evolve to the level of the U.S. market, proactive global marketers who amass their own customer and prospect data will be well on their way to creating sustainable competitive advantage.

As marketers continue to explore the challenges that hinder successful global connected CRM, they’re doubling down in their efforts to play catch-up with capabilities that have been long-established and refined in the U.S. However, simply running faster at the problems may not necessarily produce the outcomes that marketers seek. Whether evaluating entry into one or more BRIC markets or “activating” and optimizing CRM programs in existing BRIC countries, companies will need to itemize and organize a number of initiatives to increase the chances of connected CRM success. Using a Global CRM Expansion Framework, companies can create specific strategies and plans for each of its four dimensions: expansion strategy, regional specifics, risk management, and CRM essentials.
Expansion strategy: It’s easy to be tempted by the sheer population sizes, growing middle classes, and increased consumer purchasing power in the BRIC. As a result, many organizations assume that they’ll be able to replicate what works in the U.S. Prioritization is crucial and should not be based purely on macro-level statistics. Piloting before committing can often mean the difference between success and failure to port one’s business model profitably.

Regional specifics: While it may seem like common sense that cultural nuances, differing languages, and consumer channel preferences would vary across the BRIC, why then do so many U.S. multinationals stumble in the execution of their CRM initiatives? In attempting to create a globally consistent customer experience, the importance of localization is all too often lost in the process. Organizations that can maintain their value proposition, but deliver it with local relevance, significantly enhance their odds for CRM success in the BRIC.

Risk management: One of the biggest surprises the U.S. multinational marketer runs into when developing a CRM strategy for the BRIC is the variation in regulatory environments across the countries. Data protection laws, access to personally identifiable information, and consumer preferences by channel (opt-in/opt-out) are still in their infancy—or altogether non-existent.

This is an exciting time for marketers responsible for growing their business outside the U.S. Many organizations are already actively pushing CRM best practices out to international markets and taking advantage of the opportunities provided by the emerging middle class in the high-growth BRIC countries. To be successful, they will need to use their knowledge and experience from the U.S., together with a creative mind-set for each local market, to develop world-class CRM strategies. Those that succeed in becoming truly customer-focused global organizations will gain sustainable competitive advantage in the BRIC nations and beyond.

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