

SQWARE PEG CASE STUDY

Lexus

Situation

When marketing a luxury item it's essential to keep close to your customer. Wooing a prospect requires the ability to appeal to their desires. Retaining a customer through generations of the product requires a relationship direct with the brand based on **trust, mutual respect and understanding**.

For performance and luxury car brand, Lexus Australia, customer relationship management (CRM) has always been a cornerstone of its sales and marketing strategy. Recognising what customers are after and understanding why they buy has helped to establish the brand as one of Australia's premium automotive choices.

Achieving that level of customer knowledge, however, hasn't always been easy. In late 2009 Lexus' need for detailed customer and prospect data was swamping the organisation's existing technology.

Nine separate databases including dealer information captured in the company's SAP Retail application were being fed into Lexus' CRM platform. Manager Retention and After Sales Manager, Bob Dawes, explains, "Despite having separate databases, we used to record every time we touched an owner. For example, if an owner received our Lexus Magazine, if they called the call centre, if they purchased tickets to a performance via Lexus Premium Ticketing.

The difficulty was that extensive manual intervention was required to maintain the hundreds of thousands of records. There was no **single view of the customer**. Keeping the database clean and up-to-date was becoming an increasingly time-consuming task. The incumbent CRM platform didn't have the functionality or the flexibility that Lexus now required. For an organisation determined to perform as professionally, smoothly and efficiently as its cars, it was clear that something had to change.



Solution

What Lexus wanted was a **cloud-based CRM system** that could integrate the multiple databases into a single, authoritative repository. In addition, the system had to be capable of supporting dashboards for fast access to key performance indicator data. It needed to be **flexible** to provide information in a variety of report formats, suitable for management, marketing and dealers amongst others.

Plus, it had to be stable enough to underpin activities in the Lexus customer assistance centre.

An exhaustive search began for the right customer relationship management solution and supplier. CRM Manager, Sophie de Flamingh, says, "A key objective was to find a vendor that had a **cultural fit** with us, as much as ensuring that they ticked the box from a technical requirement perspective. Being a luxury brand our business is very much about relationships. We needed to be sure that any new supplier had the same philosophy."

At the same time, Lexus also decided to look for a new contact centre and mailing house supplier. The process took almost four months but at the end of it, de Flamingh was confident that she had identified the right suppliers to advance Lexus' CRM practices up to the next level.

Cloud computing consulting and solutions provider, Square Peg was chosen to develop the new platform based on its proposal to deploy one of the world's leading CRM software packages, Salesforce.com in conjunction with Informatica Cloud Services. The combination of the two solutions offered an elegant solution to Lexus' need to easily **integrate its multiple databases into a single repository for a single view of the customer**.

For the call centre and mailing house, Square Peg associate and contact centre expert, McCorkell and Associates (M&a), was selected.

"Throughout the evaluation process, Square Peg showed that they understood our business and knew what was required. We were impressed with their responsiveness and it was clear that they had the expertise to guide us through our journey over the next five years and beyond," de Flamingh notes.

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Result

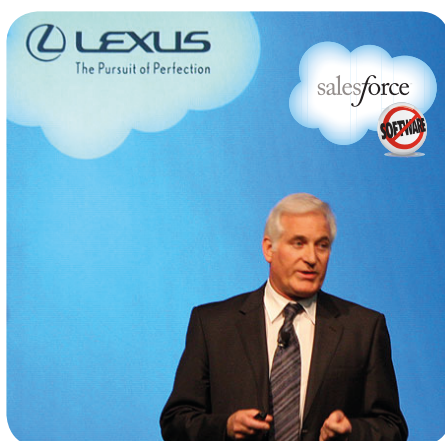
Given the size of the challenge, Squire Peg and Lexus agreed to divide the CRM migration project into three phases: **Integrate, Automate and Collaborate**. The first phase saw the integration of Salesforce.com system deployed and capable of fully replicating Lexus' previous CRM capabilities. As data was migrated Squire Peg developed more than 50 reports, built management dashboards, established call centre access to the software and trained Lexus staff. Keen to see results, both Squire Peg and Lexus adopted an aggressive schedule, resulting in development of the new CRM platform within just three months.

"We used to have to wait days for reports," de Flamingh says. "With the new system we can see what's happening in real time and respond to problems immediately. Using the dashboards we can see information such as how many leads are received in a given period or how many queries we've received on a new model."

New Lexus templates have also been created for use in all **communications** emanating from the CRM system. "Previously, whenever we received an email query we used to provide the answer in a relatively basic format. We lost branding opportunities. What we have done now is to create templates so that owners, prospects and dealers receive a more professional looking response," de Flamingh adds.

The second phase of the project, which is now under way, is designed to automate and leverage the platform to derive **new metrics** and **deliver in-depth sales analysis**. One of the key outcomes of this phase will be the creation of a loyalty or engagement index, enabling the Lexus marketing team to better nurture customers and prospects by creating more targeted offers and loyalty campaigns.

The final phase of the project will focus on **collaboration**, improving the information flow out into the Lexus community through the creation of dealer and owner portals.



"In just 90 days, thanks to the Squire Peg consultants, we've been able to implement a new CRM system that has moved us much closer to have a 360 view of our Lexus owners anywhere, any time on a single platform. The flexibility of that platform will pay dividends for us and our owners long into the future."

Bob Dawes, Marketing Retention and After Sales Manager, Lexus

For more information on Squire Peg services please visit www.squirepeg.com or phone +61 (0)2 9299 9001

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