

# Premier league

## Dell's unique approach to customer relations keeps it ahead in the computer market **Noelle McElhatton**

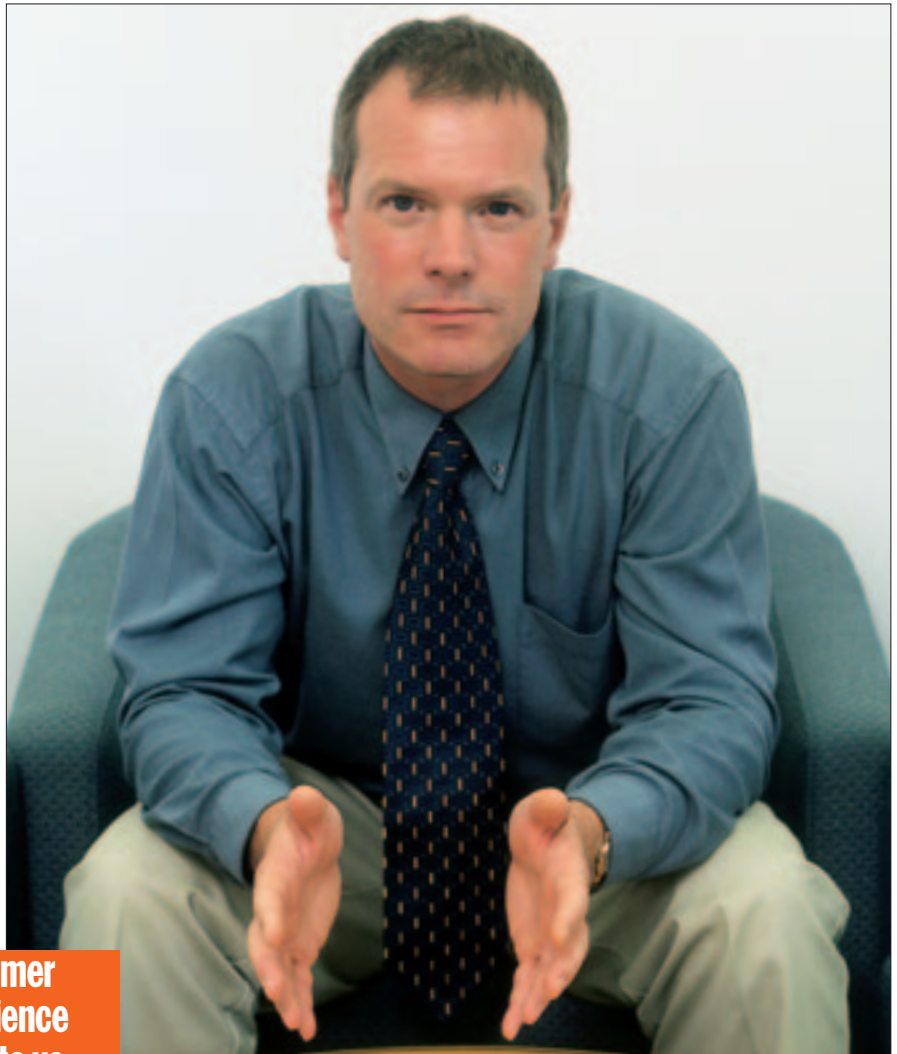
When you've just spent three days gorging on the latest customer relationship wizardry from the likes of Alterian and Siebel at this year's CRM 2001 show, it takes somebody special to stand out. But, as Brian McBride, Dell's vice president and general manager, UK and Ireland, revealed, the world's largest PC maker has a CRM tool to beat them all.

Dell, the trend-setting manufacturer of built-to-order computers, has its own take on the CRM acronym – 'relationship business'. The tool for managing customers is Premier Pages or, more precisely, Premier Dell.com, an ordering and fulfilment extranet service, customised for each buyer, naturally.

Customisation is the name of Dell's game. The tale of how *wunderkind* Michael Dell revolutionised the industry with his made-to-order model is now part of business folklore. There is little dispute, even among rivals, that Dell has set the standard in the efficiencies of its direct model, where consumers and corporate customers buy made-to-order systems over the phone or via the internet.

Building to order is a double whammy for Dell. Because its PCs are assembled only when a customer actually parts with his cash, Dell has waved goodbye to the inventory millstone that dogs its rivals. And the rather useful by-product of such a highly optimised process is that Dell, a mass producer, has the power to treat each customer individually – the epitome of CRM. Premier Pages takes this a stage further for business customers, be they SMEs or large corporations.

Premier Dell.com was launched in 1997 for Dell's B2B customers, as both an online store for ordering PCs,



**Slater: Premier Dell.com gives the salesforce confidence in the Dell product**

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EMEA

a support service and a system to track the progress of orders, no matter what stage they are at in the manufacturing and delivery process.

As Andy Slater, director for Dell Relationship Online EMEA and the person in charge of Premier Pages explains, the concept "underpins every aspect of what we do in managing customer relationships. Customer experience is key to us, and Premier Dell.com is the way we deliver that".

It caters for the selling part of the relationship cycle first, short-circuiting the process through a personalised store where customers configure their

desired PC online – down to whether they want their own corporate software images installed at the factory.

Sales-wise the site has been judged a huge success, with closure rates on the telephone combined with the web twice that of selling via the telephone alone. "By the time the customer calls, he has been to the website and configured his system already," says Slater. "Instead of a 15 minute conversation explaining the options, they're having a five minute call just about things they're concerned about." Small wonder Michael Dell has declared that he wants 70 per cent of all Dell's transactions carried out via the web in three years time.

The relationship management

phase kicks in with the site's order tracking capability. As each PC is dispatched, its barcode is swiped to update the factory system and the customer's Premier Page simultaneously. Using their order number, customers can then check the status of their shipment 24 hours a day. This transparency takes the aggravation element out of what can be a complex and stressful buying process for customers, some of whom may have 60-70 orders open with Dell at any one time.

It also, needless to say, cuts Dell's customer servicing costs. Premier complements a customer's offline dealings with Dell's sales and support team, but once a sale is made, "there's the cost of doing business that we're trying to minimise", Slater says. The Premier sites receive about 90,000 technical enquiries a week and Dell's answer to keeping support costs down is to encourage self help through information gleaned via the online support site. In the 20 per cent of cases when this does not work, an engineer is dispatched.

#### Levels of support

Dell knows from the outset the size of each of its business customers, asking the customer how big his company is as soon as he logs onto the website. It is now also introducing tiered levels of support into which customers can buy, taking into account a company's size. Silver and Bronze levels are soon to be joined by Gold and Premier, tailored for large businesses requiring high availability of on-site support.

Despite such segmentation, Premier Dell.com is more a relationship tool than a direct sales one. Perhaps the most overt evidence of



**Premier Dell.com: the website drives business**

selling via Premier Pages is the occasional personalised message on a customer's home page, alerting them to the availability of new technology, such as a Itanium 64-bit. "It's not a special offer, just information relevant to that account," Slater stresses. "If a business customer is looking to buy several thousand pounds worth of server systems, he really isn't interested in you trying to upsell him.

"On the public website," he adds "you'll see a lot of banner advertising for Dell systems. But the research we've done shows that as soon as you move out of the consumer arena into the SME market, the interest level in special offers drops. The business buyer is more concerned with which configuration will fit best with their existing core systems, and service and support."

While awareness of Dell's heavily-advertised consumer website Dell.com is high, its B2B counterpart is, Slater admits, "almost a

secret within IT buying departments". Surprisingly, Premier Dell.com is not advertised to the business community. "The difference between a 'relationship' business and a 'consumer' business is in-bound," Slater explains. "So we advertise a lot and wait for the calls to come in and for people to go to the public website. The 'relationship' business is different. You tend to know who your customers are and those who aren't. The approach to the business market has to be subtle."

But surely Dell uses what must be a treasure trove of data at its fingertips for marketing purposes? "We know when a page was last accessed by the customer," Slater says. "We can tell when they've not been there for a while, so maybe the relationship isn't going the way we want it. Our sales people can then make a call. That's a legitimate use of the Premier data, in the same way as when the phone doesn't ring. Nothing revolutionary."

There are many ways to measure the success of Premier Pages – there are more than 60,000 Premier Dell.com sites in 14 languages worldwide and 30 per cent of B2B customers visit Premier Pages every week.

But in a business where margins are being squeezed, Dell consistently outperforms the market. It recently unseated its chief adversary Compaq from a seven-year reign as the world's largest PC maker. Gateway, the other built-to-order PC manufacturer, operates on the consumer side only. And, while the PC market is experiencing a severe downturn, Premier Pages should help Dell ride the storm.

"When we recruit salespeople from competitors, they all say, 'I wish I'd had Premier Dell.com, it's so powerful'. It gives them the confidence to talk to customers about something that is a real differentiator," says Slater. ■

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