Can You Possibly Have Too Much Information in Your CRM?

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I have been working in the public information business for a while now and am very clear about privacy laws and just how sacred personal information is and how important it is to handle personal information very carefully indeed. The amount of information we are gathering about our customers and contacts is growing exponentially, probably because we can. If you only knew how much information is captured and actively used by Data Warehouses, Wal-Mart warehouse is at least 500 terabytes, according to an eWeek.com article I read, *At Wal-Mart, World's Largest Retail Data Warehouse Gets Even Larger*. Short answer to the question is no, but if you do collect information you better take very good care of it.

Here are the table stakes:

1. Privacy policies front and center on your websites and product descriptions
2. Opt-in programs
3. Constant maintenance of databases with regular purging of data that is outdated or unconfirmed by your clients
4. Immediate reporting of breaches of security

Those are the bare minimum as credibility is on the line.

I am actually writing this from a combination of recent events and a comment on one of my **Blogs**. The comment goes like this:

> "Why do you need someone's Skype™ address, IM address, and Blog address? What can you do with that info, besides cyber stalk people?"

I had just written about **Socializing CRM** and mentioned that we include Skype™ address, IM address, and Blog address in our **CRM** database so companies can record and manage this information as well as more conventional information such as telephone numbers, email address, etc. The comment stopped me in my tracks and made me think about this. I still believe that it is a good thing to gather as much information on the contact as possible, but now feel even stronger than ever, thanks to the comment, that it is important to guard that information and make sure that it is used in an ethical and practical manner. We obviously would never advocate stalking, but we are building systems that help our customers to figure out their customers and run more effective marketing plans.

When you gather data, I think you have to ask yourself, what is your objective? What are you going to use that data for? The old rule, "do unto others as you would have others do unto you", should prevail in all senses when you are the shepherd of people's private information. Privacy is sacred and should never be violated. People need to feel safe in your hands.

Recent developments with the **TJ Max** situation where they lost, into the "wild" over 45 million customer records consisting of credit cards, addresses, phone numbers, email addresses, and basically all the juicy tidbits about their customers. For instance I am a TJ Max customer and I swear that after that incident I have been bombarded with spam. I am not for sure about this, but it sure gives a person the willies when you start getting loads of spam out of the clear blue.

A security breach could spell the end of your business as recent studies three of four consumers say they will stop shopping at stores that suffer data breaches. Read a good article on the subject at **Information Week**.

I like the example in **Paul Greenberg's** book, *CRM at the Speed of Light*. Paul recounts a rather disturbing story about a long term relationship with a bank that revealed that they had pulled his detailed credit history in order to find out exactly how much he could give them if properly motivated. Paul went on to say that he cancelled the card, not due to their system, but due to their sales methodology. Here is a good quote

> *"I was a happy customer, but became a very unhappy sales prospect when I felt my personal information was being used outside the bounds of the existing relationship."*

I think this is a great passage in the book for establishing some common sense ground rules in the way we treat customer privacy. It may be legal, but is it ethical, is it invasive, is it just plain creepy!

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