Relationship Marketing & CRM

1. Transaction Based Marketing

Buyer and seller exchanges characterized by limited communication and little or no ongoing relationship between parties

1. Relationship Marketing (RM)

Development growth & maintenance of long term cost-effective relationships with individual customers, suppliers, employees, other partners

! Shift from transaction based marketing to relationship marketing

1. Shift away from production oriented marketing emphasis on individual sales & transactions
2. Shift toward relationship marketing. Views customers as equal partners in transactions. Encourage long term relationships, repeat purchases, multiple brand purchases from firm. This leads to increase sales and low marketing costs

Advantages of RM

#RM focuses on long term rather than short term

#RM emphasises retaining customers over making a sale

#RM ranks customer service as a high priority

#RM fasters customer commitment with firm

#RM bases customer interaction on cooperation as well as trust

Relationship Marketing emphasises customer orientation

Elements of RM

#Firms build long term relationships in 4 ways

1. Gather information about their customers
2. Analyze data & use to modify marketing mix

*Example: |4P marketing mix model – production promotion place price|*

1. Monitoring interactions with customers
2. Use customers’ preferences & knowledge

Internal Marketing

External customers: people or organizations that buy or use firms’ goods or services

Internal customers: employees or departments within organization whose success depends on work of other employees or departments

There are 3 levels of RM (QUESTION\*)

1.level is focus on price

2.level is social interactions

3.level is interdependent partnerships

1.Level :Focus on price

Most superficial level

Least likely (probably) lead to long term relationships

Marketers rely on pricing to motivate customers

Competitors can easily duplicate pricing benefits

2.Level :Social Interactions

Customer service and communication are key factors

Example: Wine degustation

3.Level :Interdependent Partnerships

Relationships transformed into structural changes that ensure partnerships and interdependence between buyer & seller

Three steps to measure customer satisfaction

Ongoing measurement

Customer feedback

Understanding customer needs (via surveys, questionnaires)

**Understanding Customer Needs**

To build longterm relationships firms must understand what customers need/want/expect

Must measure customer satisfaction

Marketers need to keep in touch or contact with needs of current and potential customers

**Obtaining Customer Feedback & Ensuring Satisfaction**

Sources of information including numbers of online feedback

Some firms hire shoppers posing as customers to evaluate service

Complains help firms overcome problems & demonstrate to service

Some firms conduct surveys to measure satisfaction

**Building buyer-seller relationships**

Consumers form relationships to

-reduce choices

-simplify information gathering & entire buying process

-reduce risk of dissatisfaction

Customers may switch loyalties if they perceive better benefits from a competitor

Database Marketing

Definition of Database Marketing : Use of software to analyze data about customers helps firms to

-identify their most profitable customers

-calculate lifetime value of each customers business

-build relationships & encourage brand loyalty

-improve customer retention

-reduce marketing & promotion costs

-expand loyalty programs

Possible sources of data

-credit card applications

-software registration

-Product warranties

-Point of sale register scanners

-customer opinion surveys

-websites

-telecom companies’ database

Application service providers (ASPs)

Outside companies that specialize in providing both computers & application support for managing information systems of business clients

**Business to Business Marketing**

Organizational sales and purchases of goods & services to supporting production of other products is performed

**Buyer and seller relationships in b2b marketing (Advantages)**

Obtain lower prices

Quicker delivery

Improved quality & reliability

Customized product features

Favorable financial terms

**Partnerships**

Affiliation of 2 or more companies that help each other achieve common goals

-Protect or improvement of position in existing markets

-quickly enter new markets

-gaining access to new domestic or international markets

**Selection of Business Partners**

Partner firm must add value to relationship

\*Product should be value added

-partner firm often compliment each other

-firms must share similar values & goals

26.10.2017

1. CRM Systems & Their Implementatitons

2. Multi-Channel Management

3. Contact Centre Management

4. Customer Knowledge Strategy

5. Customer Data Management

6. Customer Segmentation & Selection

7. Customer Retention & Cross Sell Analyses

8. CRM as an integral business Strategy

9. Relationship Orineted Organization

10. Customer Supplier Relationships

11. e-CRM

12. Customer Acquisition

13. Marketing Mix

14. Quantitive Tools/Techniques

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Akademik perspektifte yazılacak, googledan copy paste yok

**14 Aralık 2017 – e-CRM Sunum**

Google.scholar alıntı yap yöntemi (References’a kopyalara yapıştır)

PPT sunumunda footnote olarak kaynak verilmeli

Marmara Kütüphane kaynaklara Uzaktan erişim – deepknowledge ve proxy

Deepknowledge – Marmara mail ve şifre ister

Grafik altına figure 1 data warehousing

Source. Künye bilgisi

TAbloda:

Table 1 shows customer data

Table 1: customer data

……

Source:künye bilgisi

Referans (Şenvar, 2017)

2 kişiyse (Şenvar and Müderrisoğlu, 2017)

Daha fazlaysa (Şenvar et al, 2017)

**CRM Technology**

CRM programs are software systems

That capture information & integrate sales, marketing, customer service information

CRM programs can gather information from many sources including email, call centers, service & sales

Information is available to the right people in organization in real time

**Collaborative Advantage**

Relationship Marketing centers on establishing developing and maintaining successful exchanges with customer

New era of business marketing is dependent upon managing relationships

Collaborative advantage is demonstrating special skills with key customers or developing innovative strategies with partners

**Determinants of CRM**

Trust and Value

Trust is willingness to rely on ability, integrity & motivation of a company to serve needs of other company as agreed upon implicitly & explicitly.

Value is ability of a selling organization to satisfy needs of customer at a comparatively lower cost or higher benefit than offered by competitors and measured in monetary, temporal, functional and psychological terms.

Salespeople must understand customer needs & problems

Meet their commitments

Provide superior after sales support

Make sure that customer is always told the truth (must be honest)

Have a passionate interest in establishing & retaining long term relationship

**\*Stages in Development of Customer Relationship\***

Pre-Relationship Stage

* The event that triggers a buyer to find a new business customer

Early Stage

* Experience is accumulated between buyer and seller although a great degree of uncertainty & distance exist

Development Stage

* Increased levels of transactions lead to a higher degree of commitment
* Distance is reduced to social exchange

Long Term Stage

* Characterized by companies’ mutual importance to each other

Final Stage

* Interaction between companies becomes institutional