

Customer Relationship Management

- Defining Customer Relationship Management
- Operational Customer Relationship Management Systems
- 3. Analytical Customer Relationship Management Systems
- 4. Other Types of Customer Relationship Management Systems



- 1. Identify the primary functions of both customer relationship management (CRM) and collaborative CRM strategies.
- 2. Describe how businesses might utilize applications of each of the two major components of operational CRM systems.
- 3. Discuss the benefits of analytical CRM systems to businesses.

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4. Explain the advantages and disadvantages of mobile CRM systems, on-demand CRM systems, and open-source CRM systems.

OPENING



Feedback

Price

Delivery

- 0 X

Rating Online Customer Service

- 1. Why is it so valuable for an online retailer to be able to post StellaService's seal of approval on its Web site and advertising materials?
- 2. Why doesn't StellaService provide the same service for bricks-and-mortar retailers?

12.1 Defining Customer Relationship Management

- Customer Touch Points
- Data Consolidation

'S ABOUT BUSINESS 12.1

Amazon: Truly
Superb Customer
Service



1. Describe the advantages that Amazon has over bricks-and-mortar retailers.

 Describe the many facets of Amazon's relentless focus on customer relationship management.

Figure 12.1: CRM Process

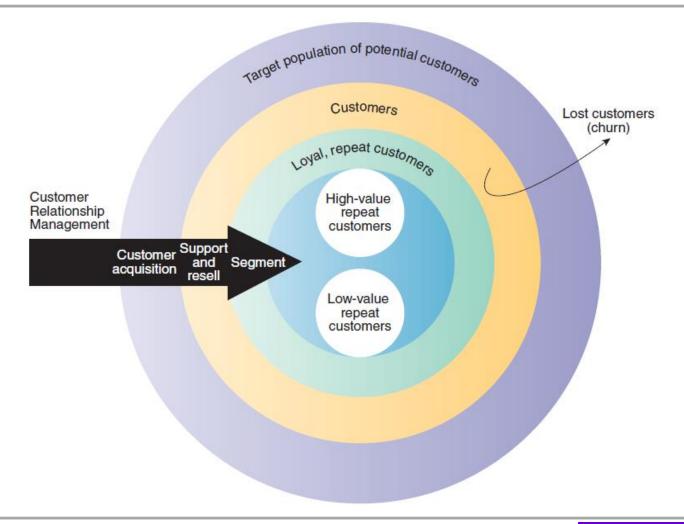
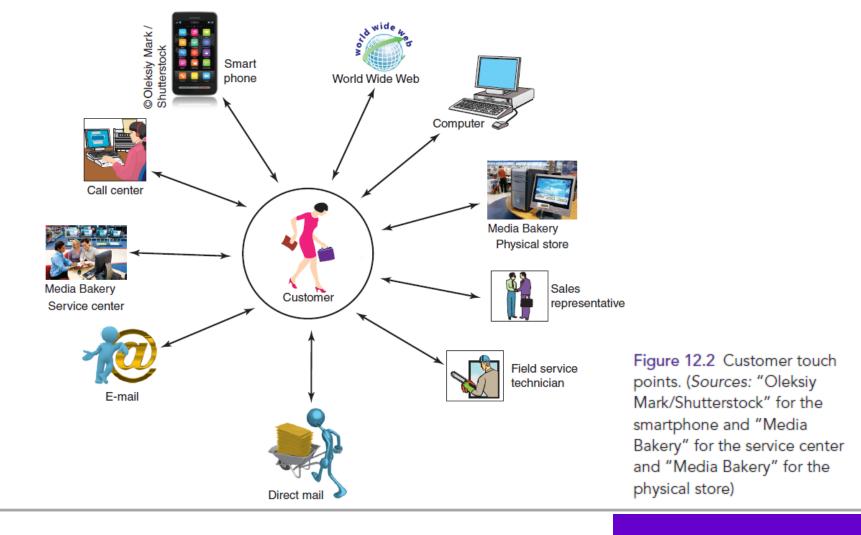


Figure 12.2: Customer Touchpoints



12.2 Operational Customer Relationship Management System

- Customer-Facing Applications
- Customer-Touching Applications

Customer Facing Applications

- Customer Service and Support
- Sales Force Automation
- Marketing
- Campaign Management

Customer Facing Applications: Customer Service & Support

- Customer Interaction Centers (CIC)
- Call Center
- Oubound Telesales
- Inbound Teleservice
- Information Help Desk
- Live Chat



Customer Facing Applications: Sales Force Automation

- Contact Management System
- Sales Lead Tracking System
- Sales Forecasting System
- Product Knowledge System
- Configurator

Customer Facing Applications: Marketing

- Data Mining
- Cross-Selling
- Upselling
- Bundling

Customer Facing Applications: Campaign Management

- Campaign Planning
 - Right messages
 - Right people
 - Right channels
 - Marketing communications opt-out

Customer Touching Applications

- Search & Comparison Capabilities
- Technical and Other Information and Services
- Customized Products and Services
- Mass Customization
- Personalized Web Pages
- Frequently Asked Questions (FAQs)
- E-mail and Automated Response
- Loyalty Programs

12.3 Analytical Customer Relationship Management (CRM) Systems

Analytical CRM Systems Analyze Customer Data for:

- Targeted marketing campaigns
- Increasing customer acquisition, crossselling, and upselling
- Products and services decision support
- Financial forecasting
- Customer profitability analysis

Figure 12.3: Relationship Between Operational CRM & Analytical CRM

Operational CRM

Customer-facing applications

Sales

Marketing

Customer service and support

Campaign management



Image Source

Customer-touching applications

Search and comparison

Customized products

Technical information

Personalized Web pages

FAQ

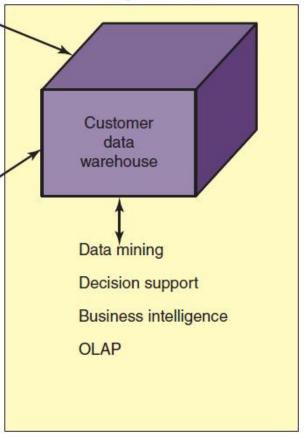
E-mail/auto response

Loyalty programs



J-C & D.PRATT/PhotoNonStop/Glow Images

Analytical CRM



12.4 Other Types of Customer Relationship Management Systems

- On-Demand CRM Systems
- Mobile CRM Systems
- Open-Source CRM Systems
- Social CRM

On-Demand CRM Systems

- On-Premise CRM Systems versus On-Demand CRM Systems
- Benefits of On-Demand CRM Systems
- Potential Problems with On-Demand CRM Systems

On-Demand CRM Systems: Benefits

- Reduced cost when compared to purchasing the system
- Reduced maintenance costs
- Employees only need to know how to access and utilize the system

On-Demand CRM Systems: Potential Problems

- Unreliable vendors
- Hosted software difficult to modify
- Upgrades only through the vendor
- Difficult integration with organization's existing software
- Information security & privacy risks

Open-Source CRM Systems

- Benefits of Open-Source CRM Systems
- Disadvantages of Open-Source CRM Systems
- Examples

Open-Source CRM Systems: Benefits

- Favorable pricing
- Wide variety of applications
- Easy to customize
- Updates and bug (software error) fixes rapidly distributed
- Extensive support information available for free

Open-Source CRM Systems: Disadvantages

- Risk related to quality control
- Company's IT platform must match development platform of opensource CRM system

Open-Source CRM Systems: Examples

- SugarCRM
 - (www.sugarcrm.com)
- Concursive
 - (<u>www.concursive.com</u>)
- Vtiger
 - (www.vtiger.com)

Social CRM

- Provides two-way communication between organization & customers
- Organizations monitor social media sites and respond accordingly
- Customers obtain faster, better customer service

'S ABOUT BUSINESS 12.2

uShip Benefits from SugarCRM

- 1. Describe the advantages provided to uShip by the SugarCRM system.
- 2. Describe the business needs of uShip that led to the company's decision to implement a CRM system.

'S ABOUT BUSINESS 12.3

 Morton's Steakhouse Surprises a Customer



- 1. Explain how Morton's monitoring of social media illustrates how CRM is reviving personal marketing.
- 2. Do you see any disadvantages in such close monitoring of social media? Provide specific examples to support your answer.