

Customer Relationship Management



Session Objectives

- By the end of this session, participants will:
 - Gain an overview of Relationship Marketing
 - Learn important concepts pertaining Customer Relationship Marketing (CRM)
 - Understand strategic & operational concepts of CRM



Relationship Marketing

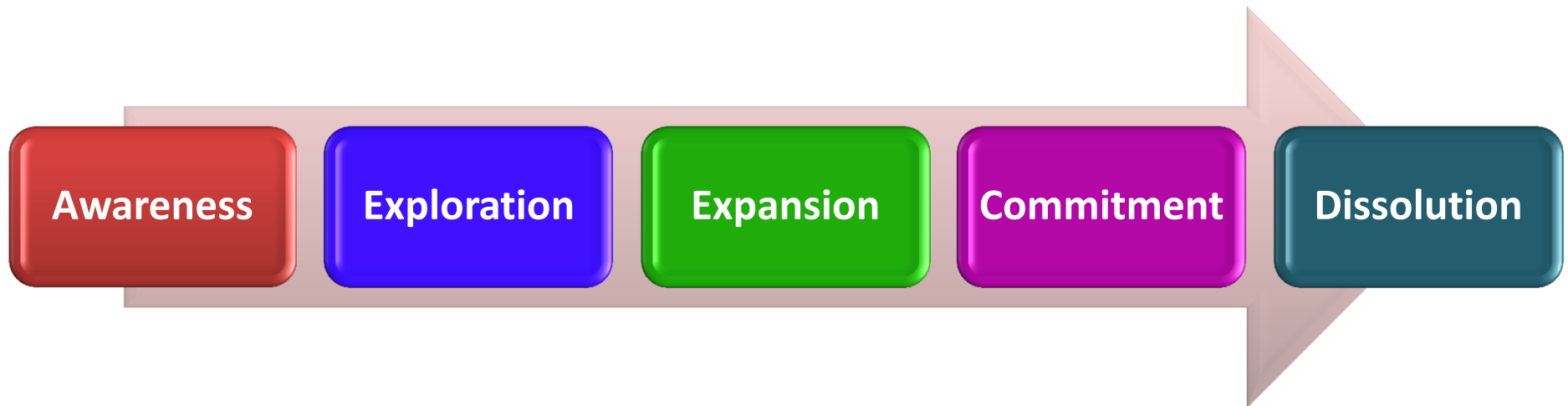
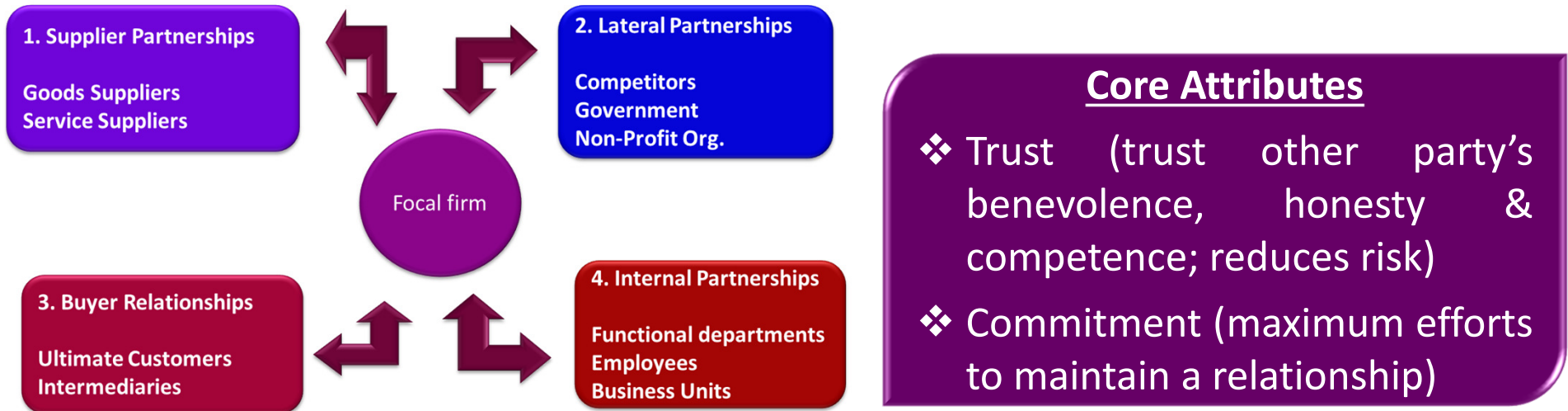
“Relationship Marketing refers to all marketing activities directed toward establishing, developing and maintaining successful relational exchanges”

Morgan & Hunt (1994)

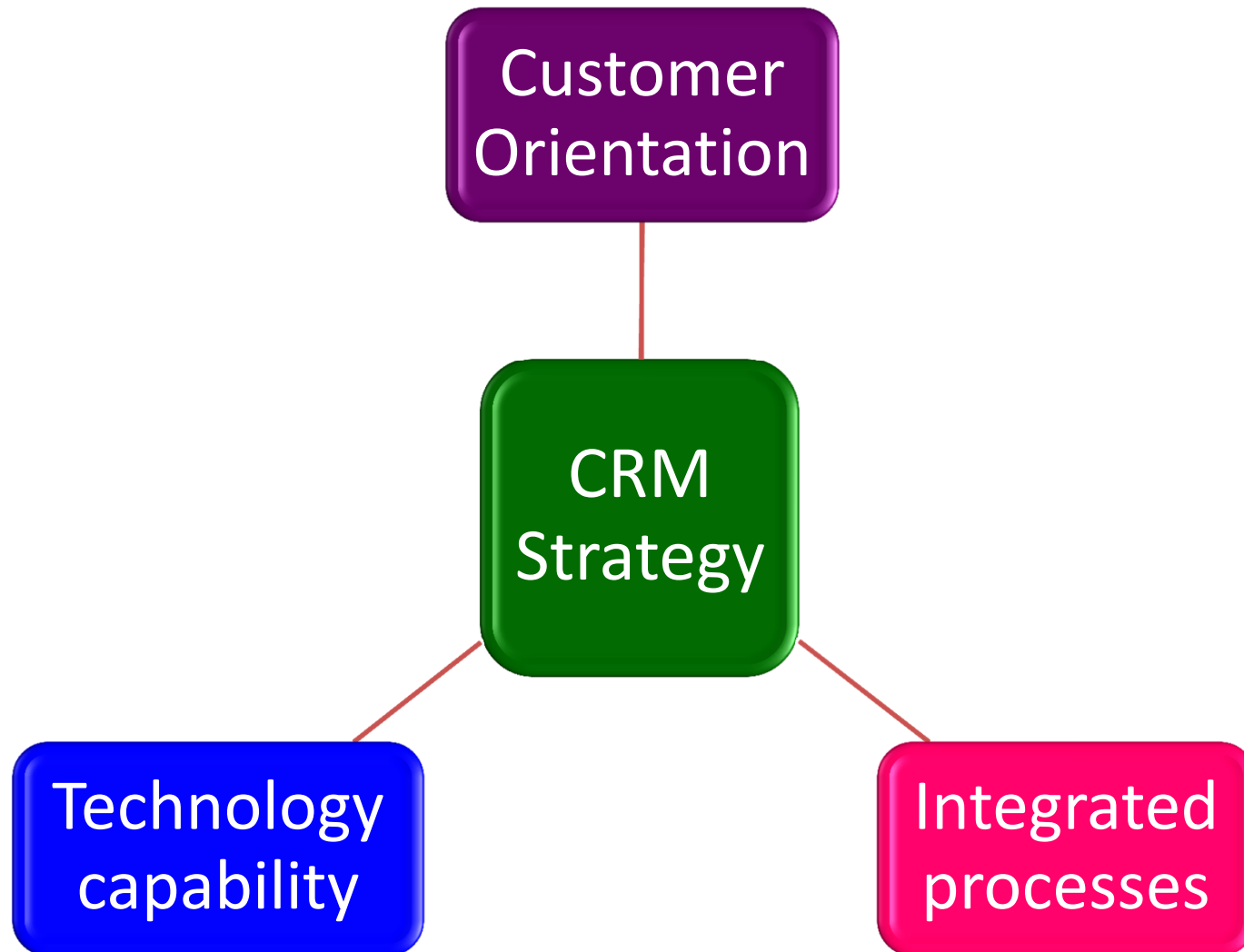
➤ Relationship vs Transaction

Criterion	Relationship	Transaction
<i>Perspective</i>	<i>Long term</i>	<i>Short term</i>
<i>Fundamental Strategy</i>	<i>Retention</i>	<i>Acquisition</i>
<i>Focus in decision process</i>	<i>Pre & Post-sale decision & action</i>	<i>Pre-sales activities</i>
<i>Degree of mutual dependence</i>	<i>High</i>	<i>Low</i>
<i>Employee importance for business success</i>	<i>High</i>	<i>Low</i>
<i>Intensity of customer contact</i>	<i>High</i>	<i>Low</i>

Relationship Marketing Concepts



CRM Strategy



Implementing CRM Strategy

- Organizational requirements
 - Relationship focused Corporate culture
 - Channelize business goals & strategies to focus on Relationship Quality & Customer Retention
 - Powerful personnel policies (DoA, Empowerment, Reward / Penalty)
- Market focus (Short term) vs Customer focus (Long term)
 - “Customer is King / Queen” – Know him / her well (Transactional data, Lifestyles, Attitudes, Interests)
 - Customer Database is Company’s memory – Customer Profiling, Data Mining, Communication plans
 - Provide superior benefits – Quick response, Better retention, Improved compliance, Greater Loyalty
- Develop IT infrastructure – Data mining, Analysis, CRM, Service recovery etc. [e.g. Siebel, Oracle, Salesforce.com, SAP-CRM]



Customer Relationship Cycle

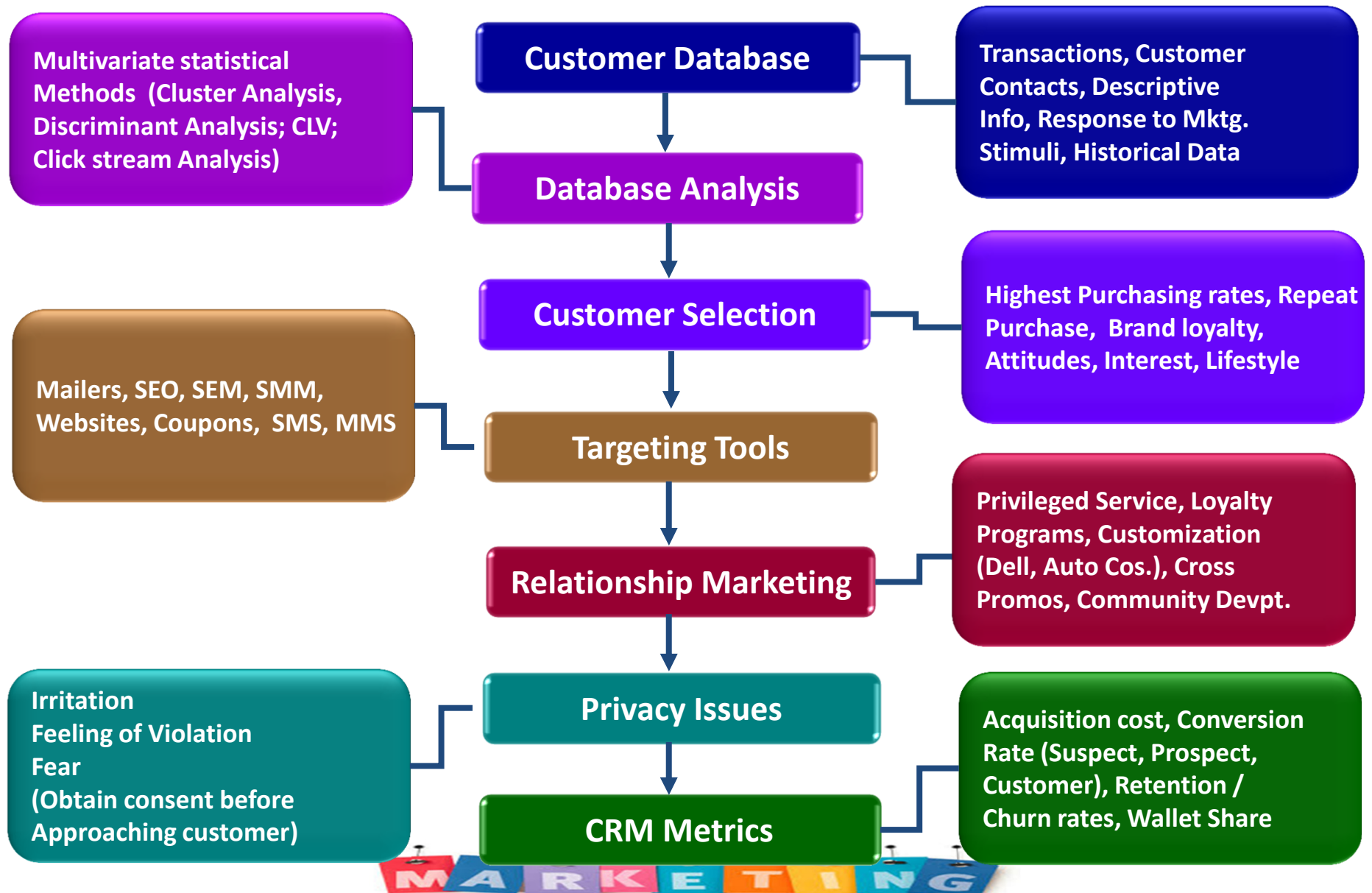


Operational CRM

- Automation & improvement of customer-facing and customer-supporting business processes

Function	Area of Automation
Marketing Automation	<ul style="list-style-type: none">✓ Market Segmentation✓ Campaign Management✓ Event-based Marketing
Sales Force Automation	<ul style="list-style-type: none">✓ Account Management✓ Lead Management✓ Opportunity Management✓ Pipeline Management✓ Contact Management✓ Quotation & Proposal Generation✓ Product Configuration
Service Automation	<ul style="list-style-type: none">✓ Incident Management✓ Inbound Communication Management✓ Queuing and Routing✓ Service Level Management

Customer Relationship Management



Satisfaction – Loyalty – Performance Chain

- ✓ Understand needs
- ✓ Deliver value
- ✓ Meet expectations

**Customer
Satisfaction**

- ✓ Share of mind
- ✓ Share of heart
- ✓ Share of market

**Business
Performance**

Customer Loyalty

- ✓ Behavioral
- ✓ Attitudinal

MARKETING

Customer Relationship Cycle

