



MAMK

University of Applied Sciences

Customer Intelligence and Relationship Management (CRM)



L81A310 Customer Relationship Management (CRM) Course
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“Technology Entrepreneurship
and Innovations in IT”

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What is CRM

"The purpose of business is to create and keep a customer", Peter Drucker

"From Customer Service to CRM..."

Definition:

Customer Relationship Management (CRM) is a term that refers to practices, strategies and technologies that companies use to support, manage and analyze customer interactions and data throughout the customer lifecycle.



What are the objectives of CRM

The goals of CRM are:

- 1) improving business relationships with customers
- 2) assisting in customer retention and
- 3) driving sales growth



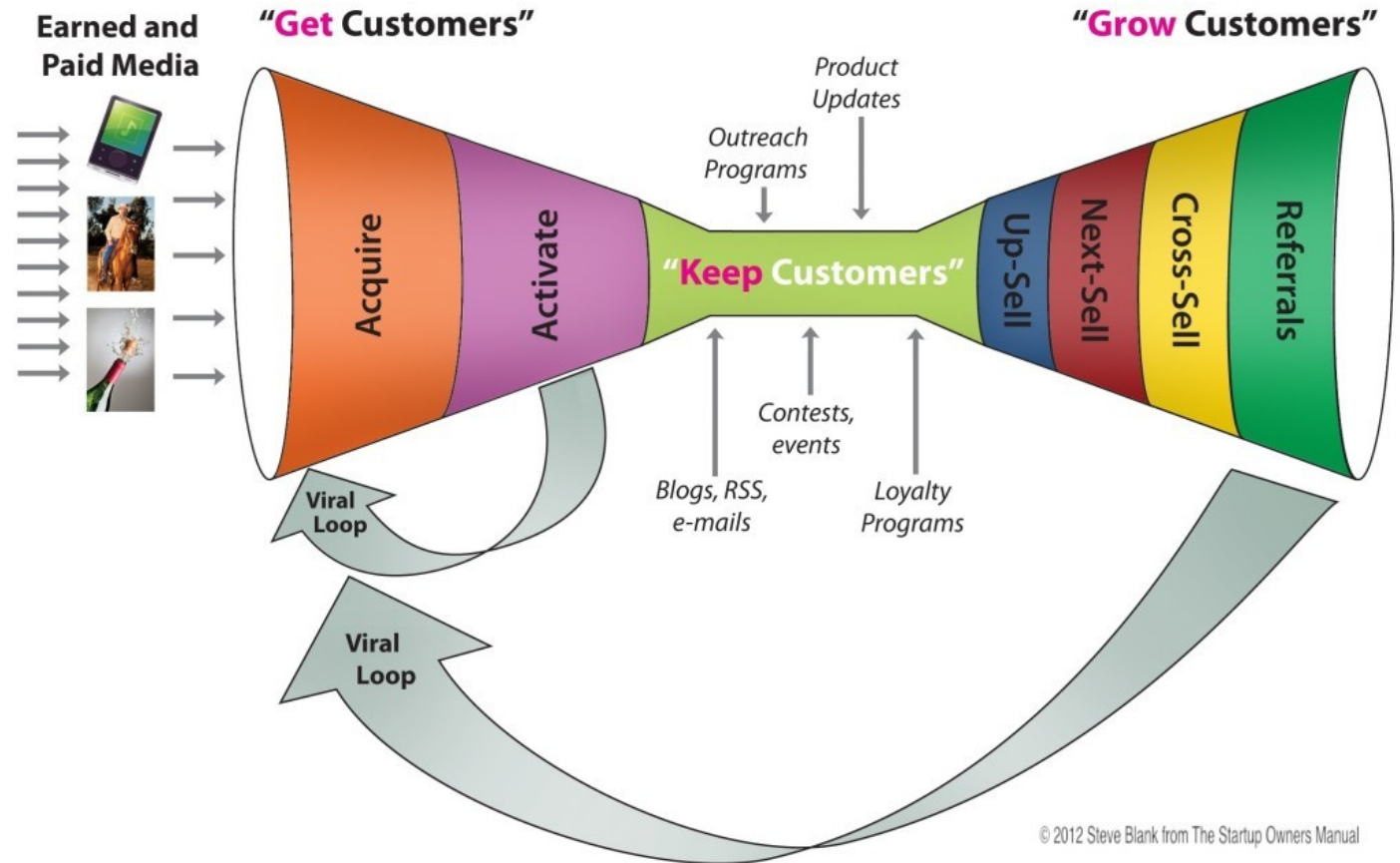
The Three Basic Goals of CRM

Basic Goals:

- 1) Get customers -**
Customer attraction
- 2) Keep customers -**
Customer retention
- 3) Grow customers -**
Customer expansion



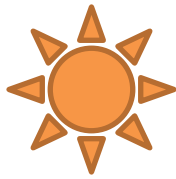
The Three Basic Goals of CRM



*Which CRM goal is Most important according to you?
(discussion)*

<http://www.successwithcrm.com/blog/bid/77499/Three-Pillars-of-Business-Success-with-CRM>

Question (team work)



Divide the class into six teams, each identifying practical examples for the three basic goals of CRM:

Get customers

Keep customers

Grow customers

Team 1 and 4 : Mobile operator company

Team 2 and 5: Banks

Team 3 and 6: Supermarkets



Time: 10-15 minutes

New vs. Old Customers

Attracting Old customers to make a purchase from your company is 1/6-1/7 of the cost of attracting a new customer.



Customer Acquisition vs. Customer Retention

All - Customer Acquisition, Customer Retention and Growth Customer Sales are necessary for a company for develop successfully!

Customer Retention vs. Customer Acquisition

6 to 7

number of times more costly it is to acquire a new customer than retain an existing one

50%

amount customer attrition rates could reach if left dormant over a 5 year period

5 to 95%

amount of increased profits that can come from boosting customer retention rates by as little as 5 percent

Source: <http://www.businessfast4ward.com/small-business-marketing-strategies-customer-retention-vs-customer-acquisition/> (Frederick Reichheld of Bain & Company)



Additional CRM Terms

A few more definitions:

- Customer Service
- Customer Intelligence
- CRM Software Solutions
- Electronic CRM (e-CRM)
- xRM – Extended CRM (CRM Software)

**Note: Different CRM Software Solutions use slightly different terms. For this reason an overview of the Glossary of Terms is recommended before start working with specific CRM Software Solution.*



Customer Intelligence

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Customer service elements

Definition: The provision of service to customers before, during and after purchase.

Pre-transaction Elements:

Customer service factors that arise prior to the actual transaction taking place.

Pretransaction elements

- Written statement of policy
- Statement in hands of customer
- Organizational structure
- System flexibility
- Technical services

Transaction Elements:

Directly related to the physical transaction and are those that are most commonly concerned with logistic.

Transaction elements

- Stockout level
- Ability to back order
- Elements of order cycle
- Time
- Transship
- System accuracy
- Order conveniences
- Product substitution

Post-transaction Elements:

These involve those elements that occur after the delivery has taken place.

Posttransaction elements

- Installation, warranty alterations, repairs, parts
- Product tracking
- Customer claims, complaints
- Product packaging
- Temporary replacement of product during repairs

Customer Intelligence

Definition:

Customer Intelligence is the process of gathering and analyzing information regarding customers; their details and their activities, in order to build deeper and more effective customer relationships and improve strategic decision making



Customer Intelligence

Customer Intelligence goal is:

- 1) to obtain information about customers' existing and future needs
- 2) to understand how they reach decisions and
- 3) to make predictions about their future behavior.

Q: What is the connection between Customer Intelligence and Customer Relationship Management according to you?



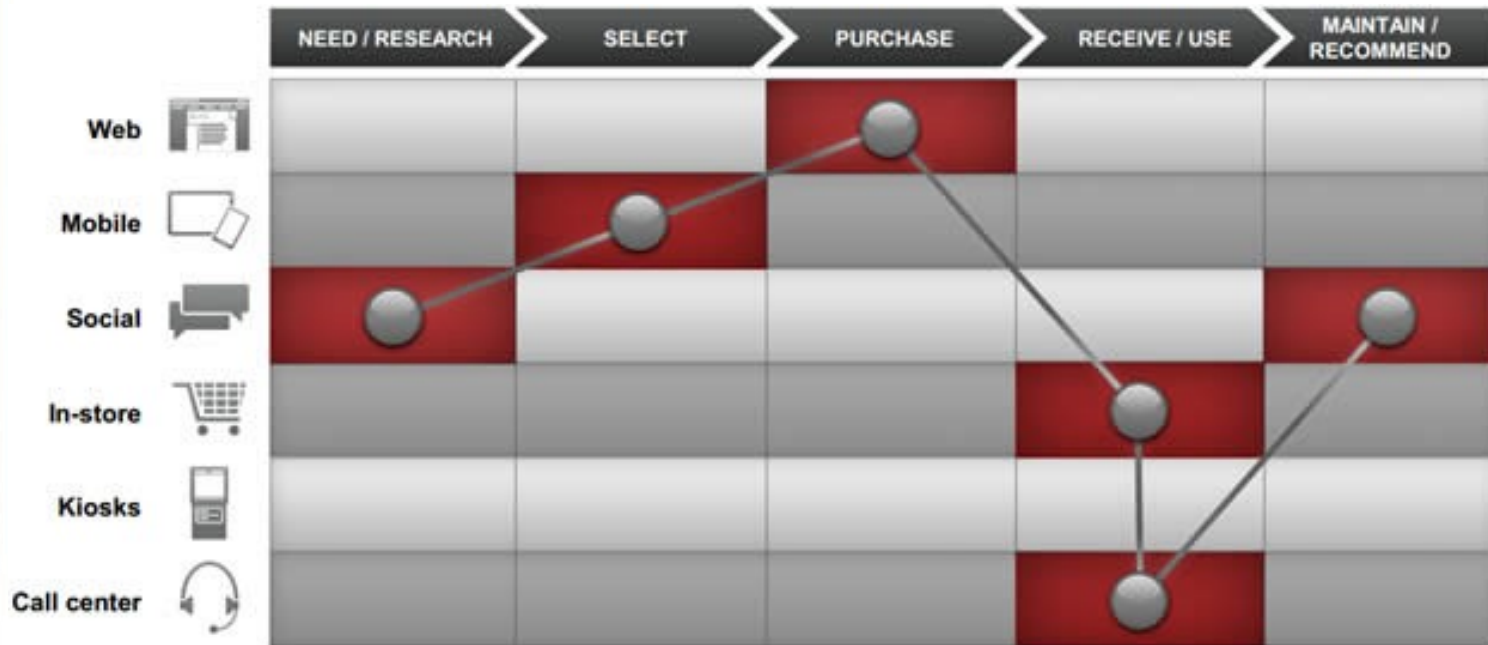
Customer Intelligence

Q: What is the connection between Customer Intelligence and Customer Relationships Management according to you?

Customer Intelligence is used in Customer Relationship Management with the goal to manage and analyze customer interactions and data throughout the customer lifecycle, with the goal of improving business relationships with customers, assisting in customer retention and driving sales growth.



Need of CRM and CRM IT Systems - Complexity of Channels Used in Customer Relationship Management



<http://www.crmsearch.com/cx.php>

Cross-Channel Support in Customer Relationship Management



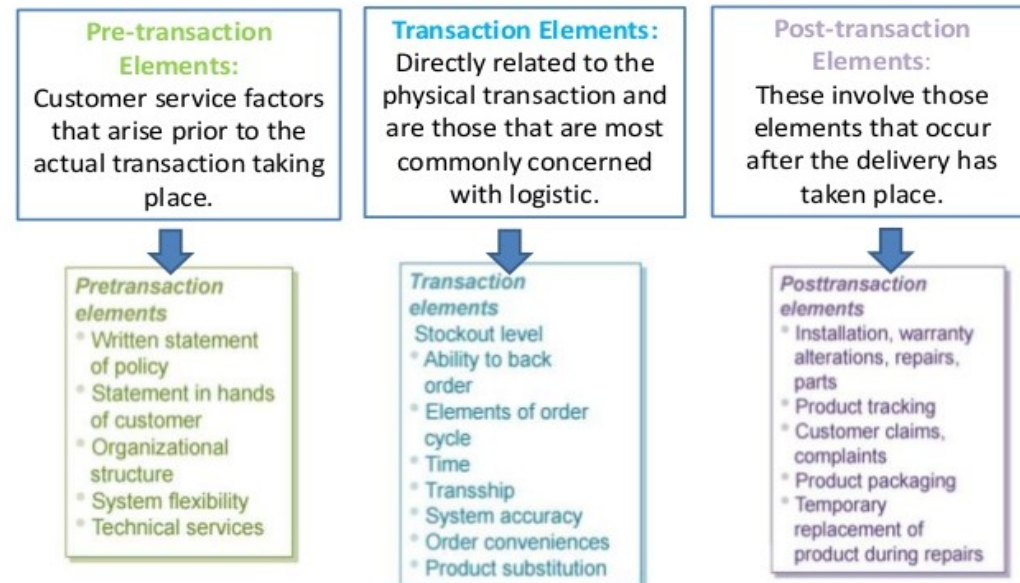
Questions (Team work)

Divide the class into six teams, each identifying as many as possible practical examples of **Customer Service elements** from the three basic stages: before, during and after purchase.

Team 1,3,5 – Musical Instrument Retailer shop

Team 2,4,6 – Audio and Video technology

Retailer shop



Time: 10-15 minutes



The Importance of a Good Customer Service

Harvard Business Review Research –
Video The Explainer Series:

<https://hbr.org/video/4715266385001/the-8-types-of-salespeople>

*Pay Attention on the Importance of Customer Interaction for a successful Sale



The Importance of CRM

More videos from
Harvard Business Review Research in
The Explainer Series:

[https://hbr.org/video/?bcpid=2072970314001
&bckey=AQ~~,AAAB4mHtenE~,_rixfzbq5sX3kY
RD-76PJa-Z8t5PlMpq&bctid=4715266385001](https://hbr.org/video/?bcpid=2072970314001&bckey=AQ~~,AAAB4mHtenE~,_rixfzbq5sX3kYRD-76PJa-Z8t5PlMpq&bctid=4715266385001)



Q&A Time



