2476 – A New Scenario for CRM

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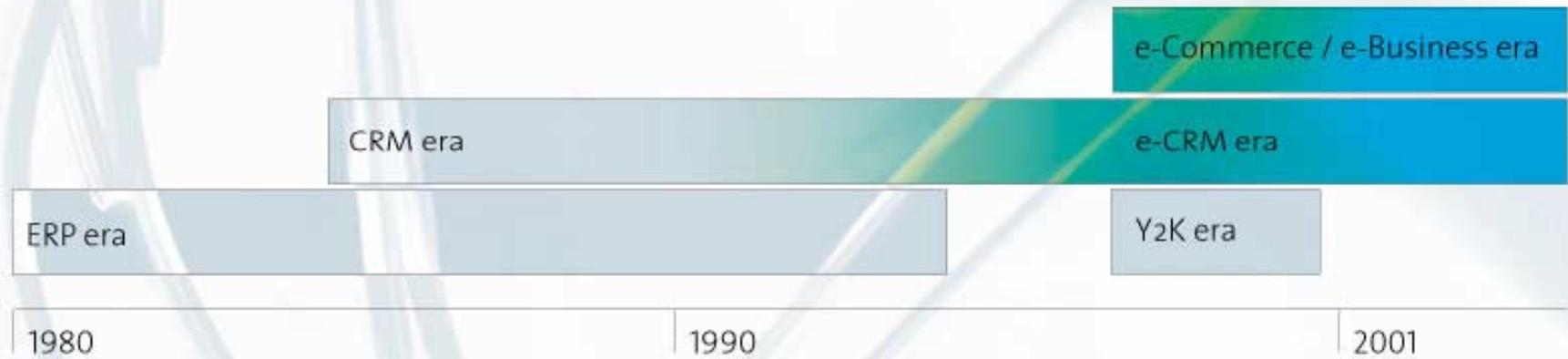Cambridge, MA 02141
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Topics

- What is Relationship Management?

- Why Bother?

- Relationships 101: Personalization

- Advanced Relationships: Scenarios (business rules)

- Extra Credit: Creating Community with Personalized Portals

What is Relationship Management?

The Evolution of Relationship Management

The Old Way

Customer Touch Points

Marketing	Sales	Manufacturing/ Fulfillment	Support

Content Management	Sales Force Automation	Transaction Systems	Customer Support

Marketing
Automation
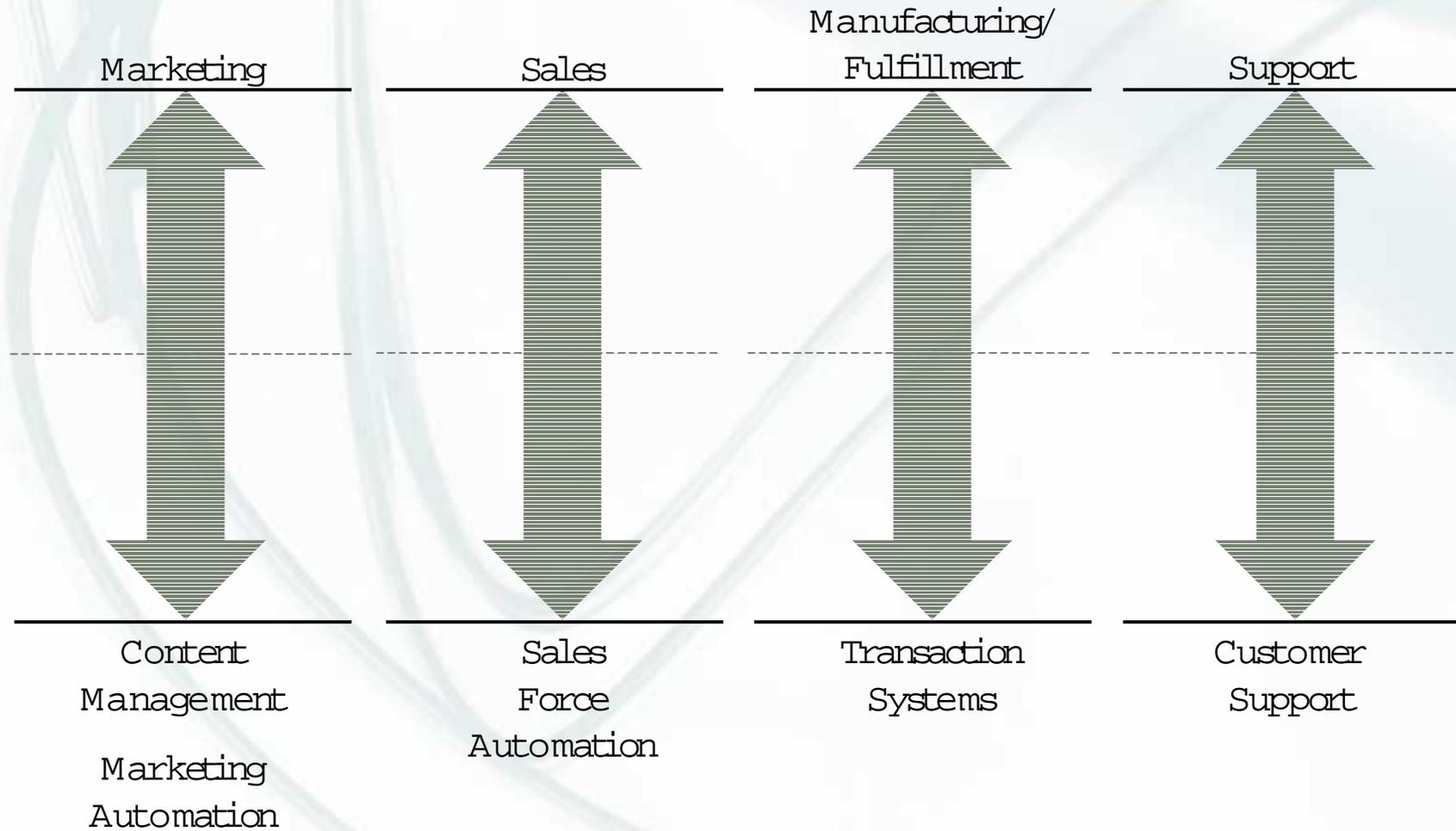
Enterprise Systems

New Era of Customer Management

Customer Relationship Management

- Customer knowledge
- Sales force automation
- Call center
- Business intelligence
- 360° customer view

e-Business and e-Commerce

- Digital channels
- Personalization
- Browse and purchase
- 24 by 7 by 365 availability
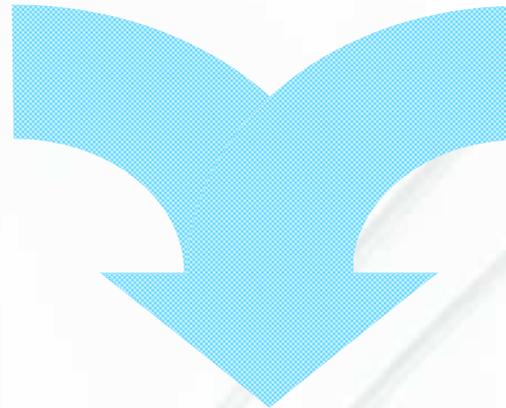
The New Era of Online Customer Management

- Maximizing customer yield
- Creating customer loyalty
- Customer-centric organization
- Unified experience across multiple channels

The New Era Customer Lifetime Value

Customer Touch Points

| Marketing | Sales | Manufacturing/ Fulfillment | Support |

Unified Customer Experience

Measurable ROI by Customer Segment

| Content Management | Sales Force Automation | Transaction Systems | Customer Support |

Marketing Automation

Customer Segment Management
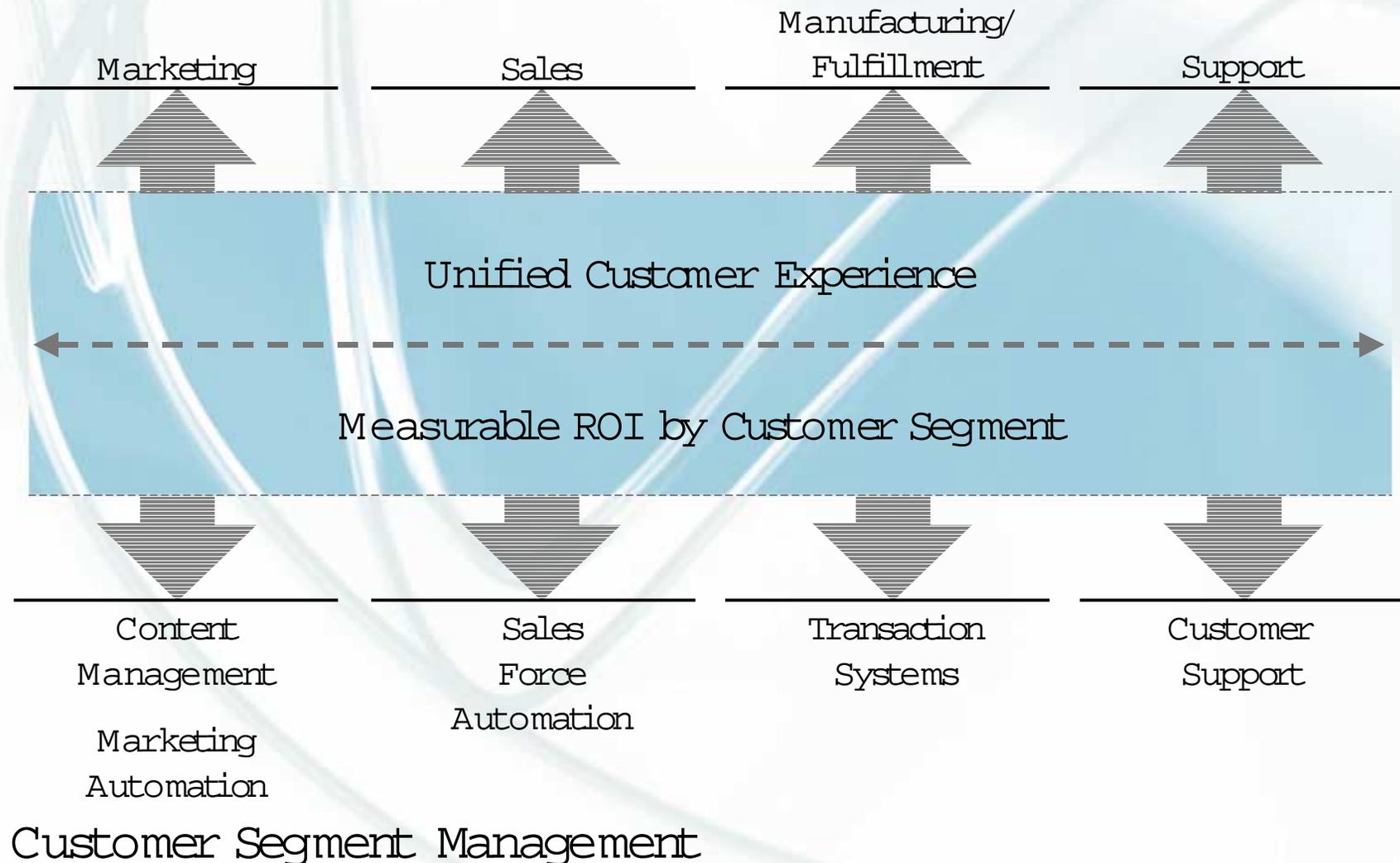
Profitability by Customer Segment

- The 80:20 Rule – most of the profits come from a small group of customers and most of the costs from another small group.
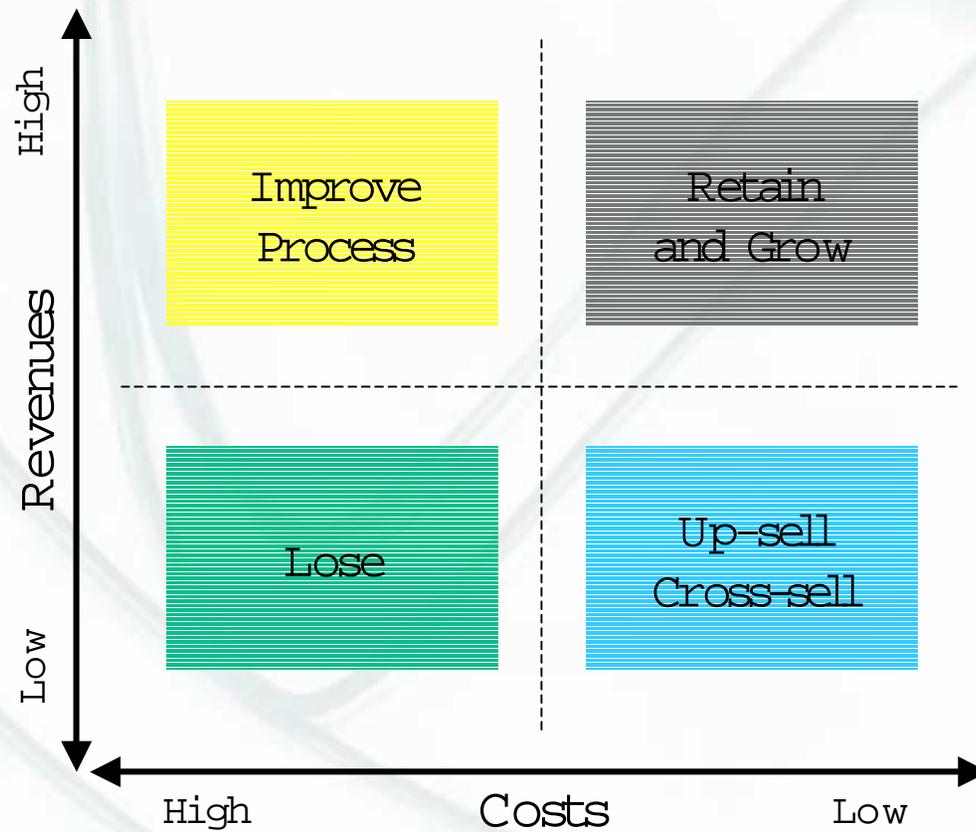
Relationship Management

- Effective relationship management:

  - establishes and maintains effective, enduring relationships by leveraging the Internet.

  - Extends customer relationships across the entire organization

    - Embraces all customer "touch" points

    - Integrates legacy business systems and processes

    - Transforms your business

  - Is device and technology independent

Why Bother?

Levels of Customer Service

- McDonald's vs. Sonya's

- "Would you like to super-size your fries?"

- "Peter, did you like the soup yesterday?"

- $2.79 vs. $7.25

What's Different?

McDonald's

- Transient

- Ad hoc

- Interaction-based

- Personalization alone

Sonya's

- Persistent context

- Relationship-based

- Memory of who, what, and when

- Personalization and Scenarios

Questions to Consider

- What level of service are you providing?

- What if even your most impersonal channel provided extraordinary customer service?

- Exemplary customer service is one way, perhaps the best way, to convert your customer base into raving fans of your company

Are You Climbing the Loyalty Ladder?

Customer Value →

Loyal
High level trust
Effective collaboration
Refers everyone
Always returns to buy

Empowered
Mutually reinforcing relationship
Tells a few
Refers occasionally

Involved
Active, responsive, focused on relationship
Tells if asked
May buy again

Indifferent
Lives by code of "shrug"
Tells no one
Refers no one

Avoiding
Will tell others to avoid you
Buys again only if they have to

Contemptuous
Tells everyone
Refers anyone but you
Never buys again

Customer Profit & Loss

Loyal customers

- Word of mouth advertising = 50 times more effective (Source: Gitomer)

- Lifetime value of loyal customer is 20 times sales volume (Source: Gitomer)

- A 5 % increase in customer retention yields an increase in profits between 25 –100 %. (Source: Bain & Co.)

Customer Profit & Loss

Dissatisfied customers

- 91% will never return to buy

- Most businesses spend 80–90% of their advertisement budgets and marketing dollars trying to acquire new customers (Source: Gitomer)

- Costs 5X to 10X to acquire than to retain (Source: eMarketer)

Key Factors in Successful Relationship Management

- Complete and accurate view of customer (or organization)

- Well defined strategy for business rules

- Customer self-help approach

Relationships 101:
Personalization

Elements of Basic Personalization

- Profile information

- Content or offers for targeting

- "Slots" for content or offers

- Targeting rules

Basic Personalization Example

Advanced Relationships:

Scenarios (Business Rules)

What are Scenarios?

- Scenarios: event-driven, people-centered processes

- Visual

- Able to work against both individuals and large collections of people

- Scenarios are of arbitrary duration and complexity

Scenarios: Two Simple Examples

Email Fund Promotion ┄┄ 🕐 On May 1, 2000 at 12: 00AM ┄┄ 👤 in group investors ┄┄ 👤 Receive email is yes ┄┄ ✉️ Send email /DSSDemo/QuincyFunds /email/growthfundpromo. jhtml ┄┄ |

Show Promotion ┄┄ 🕐 Between May 1, 2000 and Dec 31, 2001 ┄┄ ↻ ⚙️ Logs in ── 🔲 Locale's localeString is en_US

👤 Fund list includes /DSSDemo/QuincyFunds /repositories/Funds/gro wth.xml

🔲 Otherwise ── ➡️ Show items in slot QFOfferSlot named Quincy Growth Fund

Time Elements

Email Fund Promotion — On May 1, 2000 at 12:00AM — in group investors — Receive email is yes — Send email /DSSDemo/QuincyFunds/email/growthfundpromo.jhtml

Show Promotion — Between May 1, 2000 and Dec 31, 2001 — Logs in — Locale's localeString is en_US — Fund list includes /DSSDemo/QuincyFunds/repositories/Funds/growth.xml — Otherwise — Show items in slot QFOfferSlot named Quincy Growth Fund

People Elements

Email Fund Promotion ▭ On May 1, 2000 at 12:00AM ▭ 👤 in group investors ▭ 👤 Receive email is yes ▭ Send email /DSSDemo/QuincyFunds /email/growthfundpromo.jhtml ▭

Show Promotion ▭ Between May 1, 2000 and Dec 31, 2001 ▭ Logs in ▭ Locale's localeString is en_US ▭ 👤 Fund list includes /DSSDemo/QuincyFunds /repositories/Funds/growth.xml

Otherwise ▭ Show items in slot QFOfferSlot named Quincy Growth Fund

Action Elements

Email Fund Promotion ···· ⏰ On May 1, 2000 at 12: 00AM ···· 👤 in group investors ···· 👤 Receive email is yes ···· ➡️✉️ Send email /DSSDemo/QuincyFunds /email/growthfundpromo. jhtml ····

Show Promotion ···· ⏰ Between May 1, 2000 and Dec 31, 2001 ···· ↻ ⚬⚬ Logs in — ◩ Locale's localeString is en_US — 👤 Fund list includes /DSSDemo/QuincyFunds /repositories/Funds/gro wth.xml

◩ Otherwise — ➡️📄 Show items in slot QFOfferSlot named Quincy Growth Fund

Event Elements

Email Fund Promotion ···· 🕐 On May 1, 2000 at 12:00AM ···· 👤 in group investors ···· 👤 Receive email is yes ···· ✉➡ Send email /DSSDemo/QuincyFunds /email/growthfundpromo.jhtml ···· ⎟

Show Promotion ···· 🕐 Between May 1, 2000 and Dec 31, 2001 ···· ⊙ Logs in ─── ◪ Locale's localeString is en_US ─── 👤 Fund list includes /DSSDemo/QuincyFunds /repositories/Funds/growth.xml ───── ⎟

◪ Otherwise ───➡ Show items in slot QFOfferSlot named Quincy Growth Fund

Condition Elements

Email Fund Promotion ···· 🕐 On May 1, 2000 at 12:00AM ···· 👤 in group investors ···· 👤 Receive email is yes ···· ✉ Send email /DSSDemo/QuincyFunds /email/growthfundpromo. jhtml ···· ⊓

Show Promotion ···· 🕐 Between May 1, 2000 and Dec 31, 2001 ···· ↻ 🔘 Logs in ◼ Locale's localeString is en_US — 👤 Fund list includes /DSSDemo/QuincyFunds /repositories/Funds/gro wth.xml ———

◼ Otherwise — ➡ Show items in slot QFOfferSlot named Quincy Growth Fund

Forks

Email Fund Promotion ┈┈ 🕐 On May 1, 2000 at 12: ┈┈ 👤 in group investors ┈┈ 👤 Receive email is yes ┈┈ ✉️ Send email /DSSDemo/QuincyFunds /email/growthfundpromo. jhtml ┈┈

Show Promotion ┈┈ 🕐 Between May 1, 2000 and Dec 31, 2001 ┈┈ ⤾ ⁖⁘ Logs in ── ◪ Locale's localeString is en_US

👤 Fund list includes /DSSDemo/QuincyFunds /repositories/Funds/gro wth.xml

◪ Otherwise ── ➡📄 Show items in slot QFOfferSlot named Quincy Growth Fund

Scenario Example

Extra Credit:

Creating Community with Personalized Relationships

Portal Example

What Did We Learn?

- Better relationships = loyal customers = more money

- Simple personalization is a good first step

- Scenarios automate relationships and integrate channels

- Portals can create enduring relationships

- Start simple, but plan for big

Thank You!

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