CRM
Customer Relationship Management

Revision and integration of slides by:

- D. Gordon, M. Parsons, N. Schulz [1]
- Kincaid (?) [2]

[1] http://www.slideworld.com/slideshow.aspx/Customer-Relationship-Management-ppt-162685

[2] http://www.slideworld.com/slideshow.aspx/CRM-Customer-Relationship-Management-ppt-2749781

Overview

❖ What is CRM?

❖ What benefits does it provide companies?

❖ Who are the main players?

What is CRM?

❖ An integrated approach to identifying, acquiring and maintaining customers. siebel.com

❖ Allows companies to coordinate their approach across channels, departments and also geographically. siebel.com
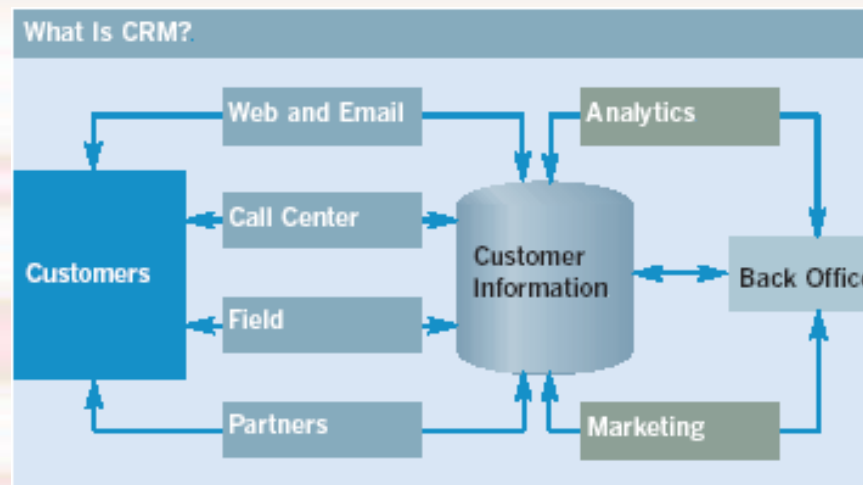
History of CRM

- ❖ 1980s: Database marketing emerges. ezinearticles.com

- ❖ 1980s: Database helped larger organizations rather then small who only got survey type info. ezinearticles.com

- ❖ 1990s: CRM appears as a two-way communication device. ezinearticles.com

- ❖ 1990s: CRM leads to programs such as frequent flyer miles and bonus points on credit cards. ezinearticles.com

- ❖ 2000s: Internet has helped expand from stagnant database and allows off-site information storage. ezinearticles.com

- ❖ 2000s: Used most frequently in financial services, high tech corporations and the telecommunications industry. ezinearticles.com

What it does...

❖ Builds a database that describes the customers and the relationship they hold with the company. whatis.com

❖ Database: a collection of information that is organized in a way that allows it to be easily accessed,managed and updated. whatis.com

❖ Provides enough detail so that the company can offer the client the product/service that matches their need the best. whatis.com

❖ May contain information about their past purchases, who is involved with the account and a summary of all conversations.

Benefits of CRM

❖ Research has shown that companies that create satisfied, loyal customers have more repeat business, lower customer-acquisition costs and stronger brand value. Siebel.com

❖ Which equals better financial performance. Siebel.com
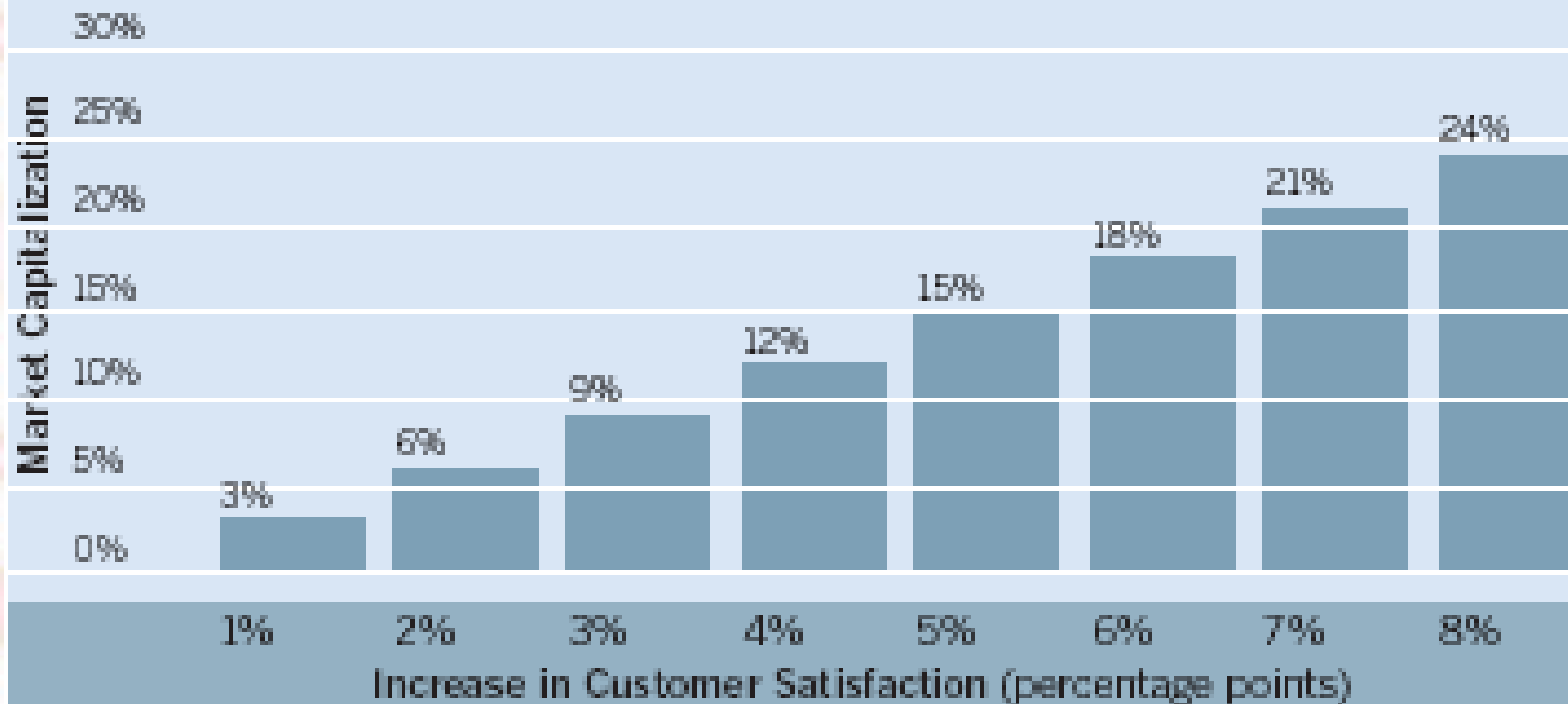
❖ Check this out... → → →

Business facts!

- It costs six times more to sell to a new customer than to sell to an existing one.

- A typical dissatisfied customer will tell eight to ten people about his or her experience.

- The odds of selling a product to a new customer are 15 percent, whereas the odds of selling a product to an existing customer are 50 percent.

- 90% companies don't have sales and service integration

- 70% of complaining customers will do business again if their complaint quickly addressed.

Satisfied customers pay off…

siebel.com

A 1% Increase in Customer Satisfaction Yields
a 3% Increase in Market Capitalization

Market Capitalization

30%	
25%	
20%	
15%	
10%	
5%	
0%	

3%   6%   9%   12%   15%   18%   21%   24%

1%   2%   3%   4%   5%   6%   7%   8%

Increase in Customer Satisfaction (percentage points)

Source: National Quality Research Center, University of Michigan

Schematic of the relationship between satisfaction and loyalty
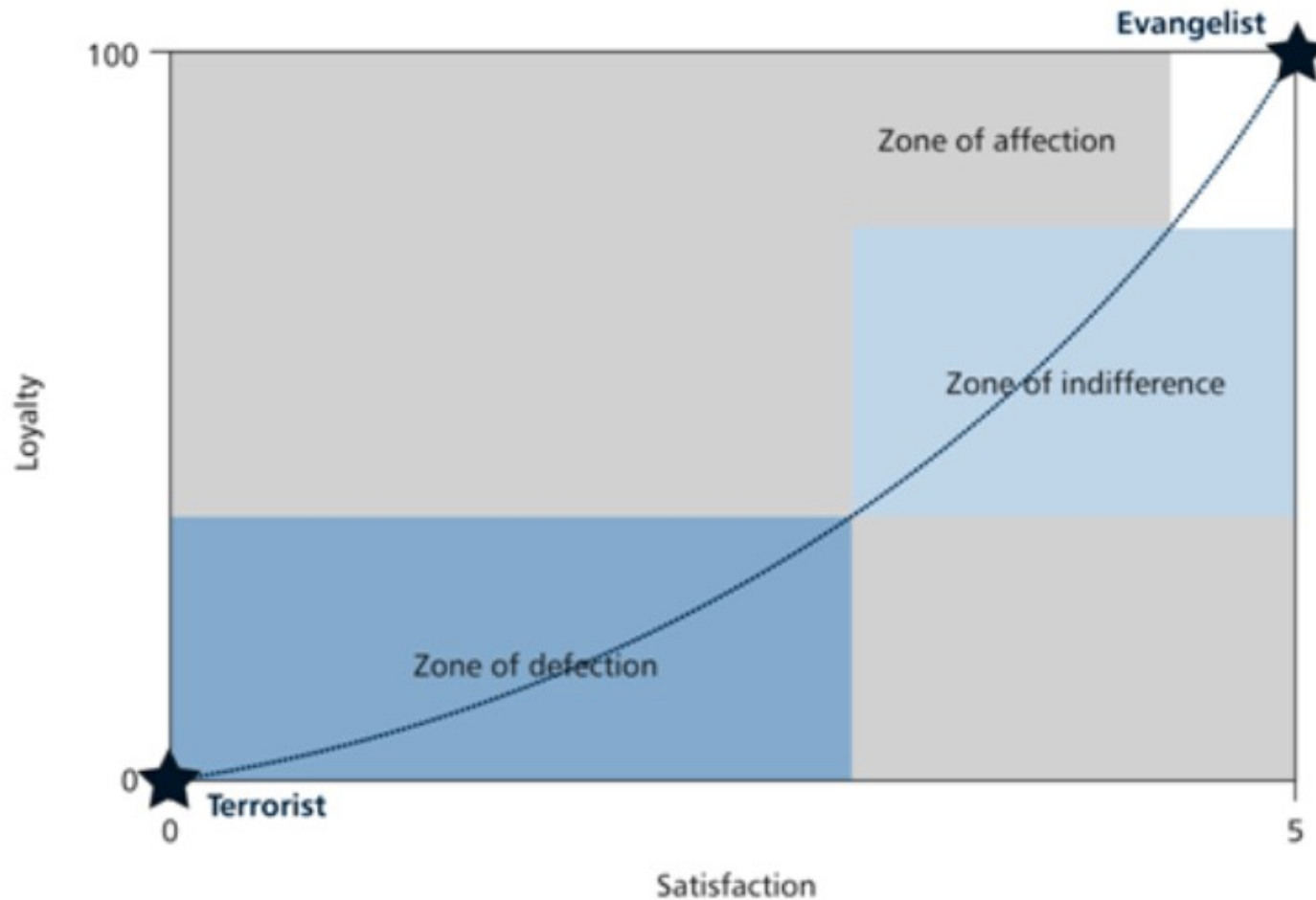
CRM may...

- ❖ Help marketing departments identify and target their best customers, manage campaigns as well as discover qualified leads. whatis.com

- ❖ Qualified Leads: prospects who seem most likely to buy because of some information known about them. Duncan, Tom

- ❖ Improve sales and streamline existing processes. whatis.com

- ❖ Form individualized relationships with customers. whatis.com

- ❖ Give employees information needed to improve customer service and also to better understand customer needs. whatis.com

It also...

❖ Is a fast way to identify and handle potential problems.
   Wikipedia.org

❖ Tracks all points of contact between a customer and the company. Wikipedia.org

❖ Provides all employees with product specs, product use information and technical assistance. Wikipedia.org

❖ CRM quickly manages the scheduling of follow-up sales calls to assess the satisfaction of customers and their repurchase probabilities (when and how much). Wikipedia.org

CRM leads to...

- ❖ Identifying prospects and helps them become customers.
  Brillianceweb.com

- ❖ Closing sales more effectively and efficiently. Brillianceweb.com

- ❖ Allowing customers to perform business transactions quickly and easily. Brillianceweb.com

- ❖ Providing better service and support following a sale.
  Brillianceweb.com

- ❖ Which = Customer Service!!

Customer Service

- ❖ Helps make call centers more efficient. Darwinmag.com

- ❖ Aids in cross and up selling products. Darwinmag.com

- ❖ Cross Selling: Provide additional products/services. Chonko...
- ❖ Up Selling: Upgrade existing products/services. Chonko...

- ❖ Helps sales staff close deals faster. Darwinmag.com

- ❖ Simplifies marketing and sales processes. Darwinmag.com

- ❖ Allows companies to discover new customers. Darwinmag.com
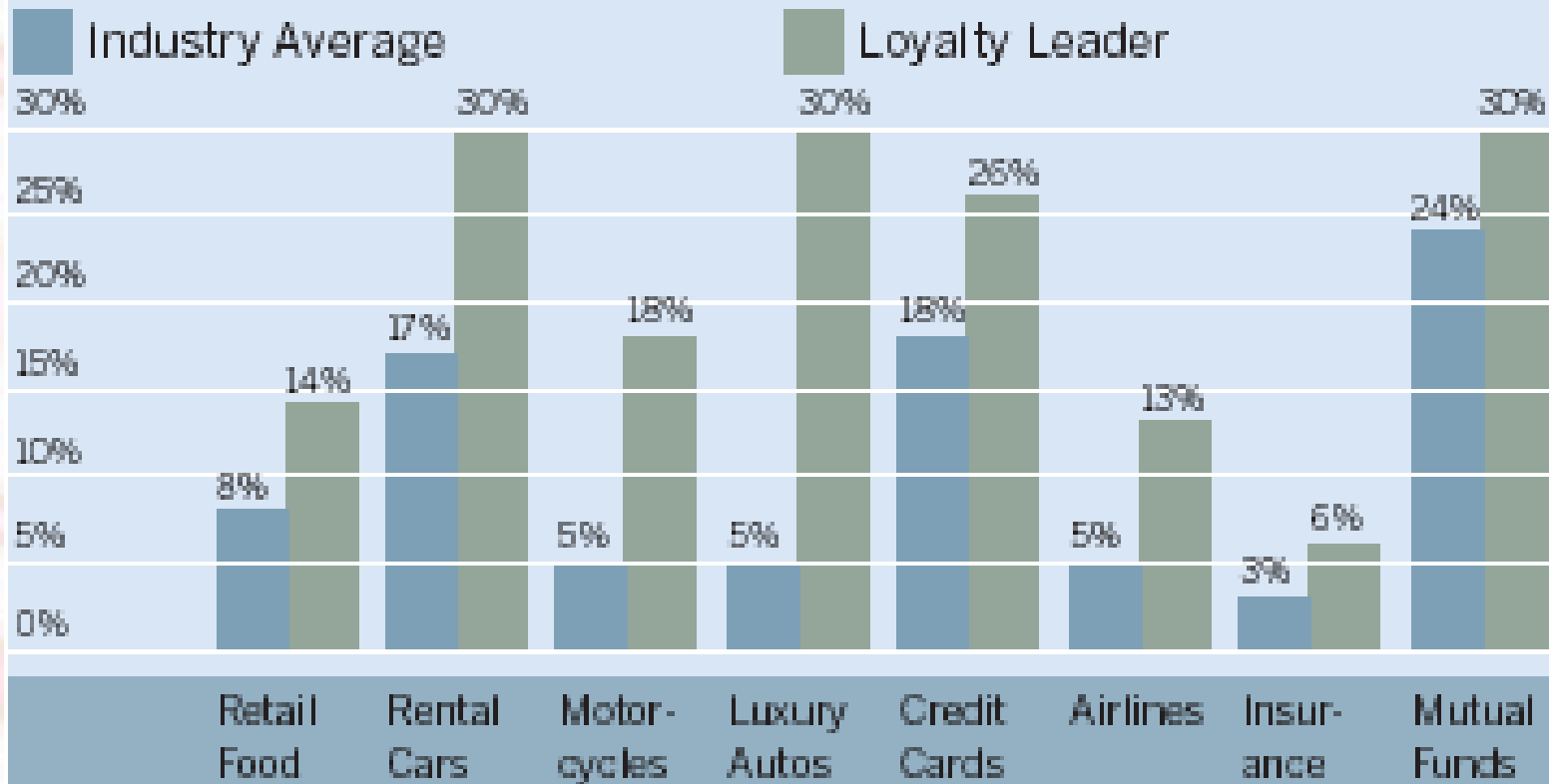
It even ties into BI…
(Business Intelligence)

❖ CRM is closely related to business intelligence because both methods involve using technology to gather, analyze and organize data in order to develop relevant information.

❖ CRM is just a more specific form of BI that concentrates strictly on customer's behaviors and actions, for both past and future information.

See the results...

siebel.com

Customer Loyalty Leaders' Growth Rates Surpass Industry Averages across the Board

■ Industry Average   ■ Loyalty Leader

	Retail Food	Rental Cars	Motor-cycles	Luxury Autos	Credit Cards	Airlines	Insurance	Mutual Funds
Industry Average	8%	17%	5%	5%	18%	5%	3%	24%
Loyalty Leader	14%	30%	18%	30%	26%	13%	6%	30%

Source: Bain & Company.

Technical Functionality

❖ Scalability: CRM may be used on a large scale while also being able to be reliably contracted/expanded to whatever scale is necessary. So.. the data is flexible and won't distort when adjusted. Wikipedia.org

❖ Multiple communication channels: the ability to interface with users via many different devices (phone, WAP, internet etc.) Basically, you can get what you want, when you want wherever you are. Wikipedia.org

The Players

The Top 11 CRM Manufactures Are:

	Company	Product name
1.	Microsoft	Microsoft Dynamics CRM 3.0
2.	Sage Software	SalesLogix CRM
3.	SAP America Inc.	SAP Business One CRM
4.	Parature Inc.	Parature
5.	Entellium	Entellium CRM
6.	Pivotal corp.	Pivotal CRM
7.	Maximizer Software	Maximizer Enterprise CRM
8.	Netsuite Inc.	NetSuite CRM+
9.	Oncontact Software	Oncontact V
10.	ADAPT Software Applications	ADAPT crm
11.	Exact Software North America	e-Synergy

2020software.com

The Price of Playing…

Product name	Price
1. Microsoft Dynamics CRM 3.0	$5,000 to $50,000
2. SalesLogix CRM	$6,000 + install
3. SAP Business One CRM	$11,250 + $3,000 install
4. Parature	$5,000 + install
5. Entellium CRM	$50 to $60 per user / month
6. Pivotal CRM	?????
7. Maximizer Enterprise CRM	$499/ user +$7,500 install
8. NetSuite CRM+	$2,000 to $100,000
9. Oncontact V	$1,000 to $1,500
10. ADAPT crm	$1,500/ user + $1,200 install
11. e-Synergy	$5,000 + install

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A little about the companies…

❖ » Microsoft – Microsoft's Dynamics CRM 3.0 is a CRM system that fully integrates with Microsoft office. For example, from Outlook employees can access Microsoft CRM sales, marketing and customer service modules to make sales decisions, market products, solve problems and get strategic views of the business. Microsoft.com

❖ Sage Software - Award-winning SalesLogix is the customer relationship management solution that enables small to medium-sized businesses to acquire, retain and develop profitable customer relationships. Has more than 250,000 users at 7,000 companies worldwide. Saleslogix.com

❖ SAP America Inc. - SAP Business One is an integrated, affordable, business management solution It provides a true and unified view of operations across customer relationship management, manufacturing and finance. Simple to use yet powerful, SAP Business One puts business users in charge, arming you with the critical, up-to-the-minute information sapamerica.com

And more…

❖ <u>Parature Inc</u>. – Performance, security, customization…this is the foundation of a Parature solution. Combining award-winning usability, integrated functionality and global capabilities, Parature applications have earned the trust of over 3,000,000 users. Parature.com

❖ **»** <u>Maximizer Software</u> - For over 10 years, Maximizer Enterprise has remained the chosen CRM solution for small to mid-sized businesses. Proven, award-winning and flexible enough to meet the needs of companies in any industry, Maximizer Enterprise CRM helps attract prospects, win new customers and increase repeat business – at an affordable price. Maximizer.com

❖ <u>Pivotal corp</u>. - Pivotal specializes in delivering flexible, powerful CRM that enables companies to implement customer-centric strategies that deliver a customer experience that sets them apart. Pivotalcrmsoftware.com

A little more...

❖ **»** <u>Entellium</u> – Entellium CRM is completely web based. It is designed specifically for companies that want business CRM solutions that strike the right balance between the everyday needs of people on the front line and reporting requirements of management. Entellium.com

❖ <u>Netsuite Inc</u>. - truly puts the "customer" in CRM. Unlike traditional CRM products, NetSuite CRM+ provides a true 360 degree view of your customers and prospects, showing you all relevant customer data – including purchase history – and helping you manage interactions throughout the entire customer lifecycle. Netsuite.com

❖ <u>Oncontact Software</u> - Oncontact V (ONCV), uses the latest Microsoft .NET platform to provide a detailed snapshot of the complete customer and prospect relationship, including account history and organizational hierarchy. Oncontact.com

And then there were two…

❖ <u>ADAPT crm</u> - Was designed to provide the full scope of features found in much more complex and expensive CRM products in a package that is easy to implement, use and customize. Adaptcrm.com

❖ <u>» Exact Software North America</u> – e – Synergy is a Web-based business management solution that enables customer management as a part of your entire business. Your clients, business partners, employees and vendors are automatically associated to one another and to all relevant and mission-critical business transactions. Your financial, sales and product support information is available immediately, online. Exactamerica.com
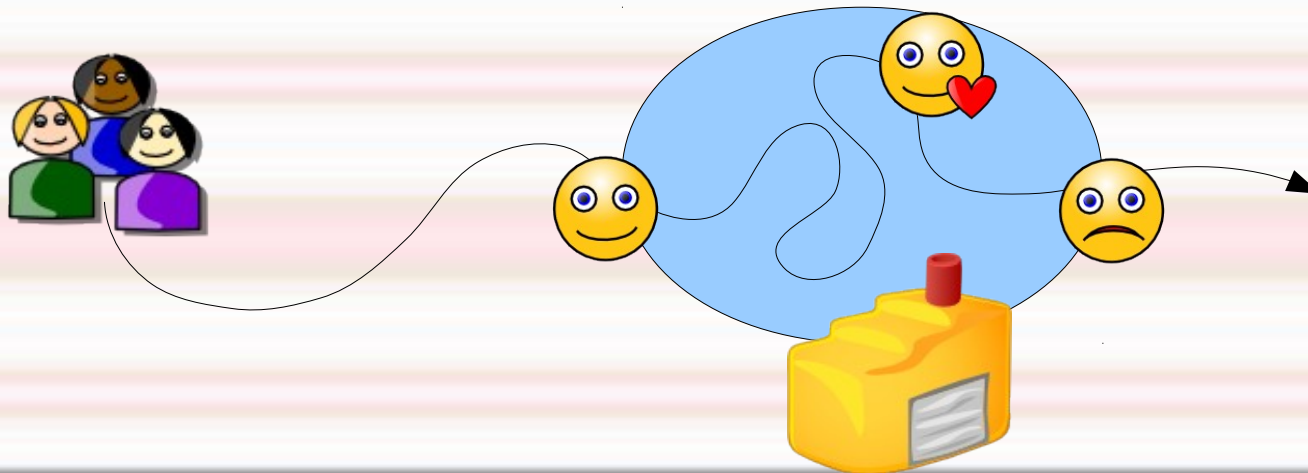
Main Points to Take Home…

❖ Know your customer!

❖ CRM can lead to greater customer service → greater profitability!!

❖ Remember that it is not enough to be nice to your customer – you must learn from them.
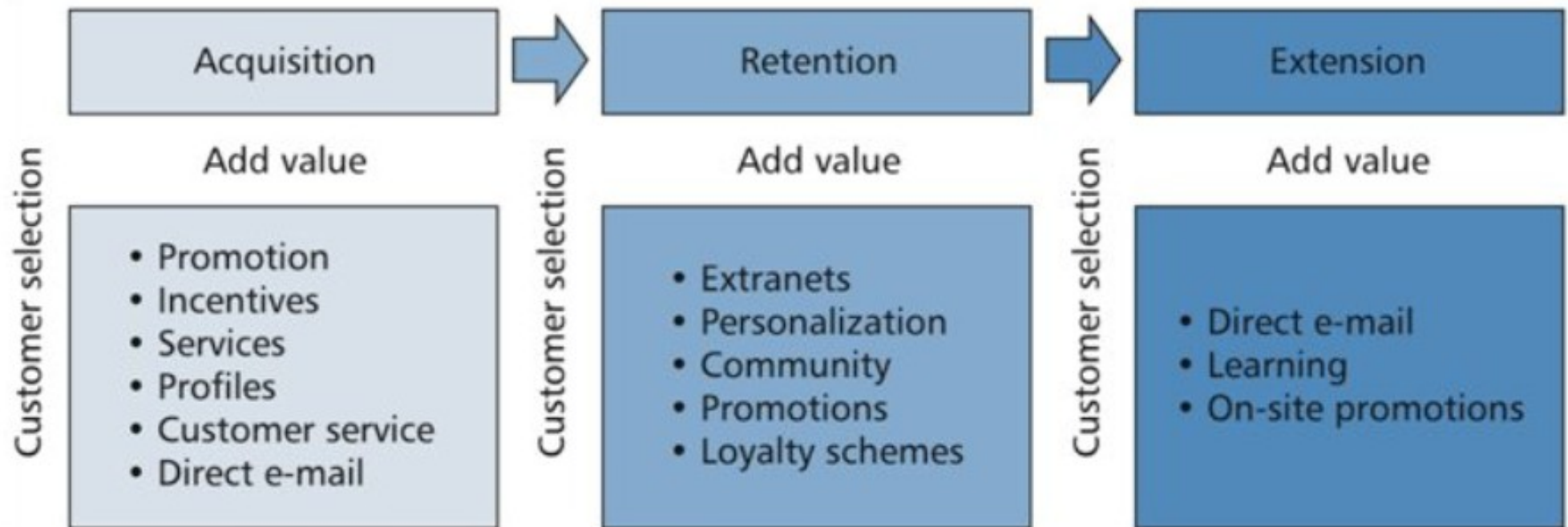
CRM phases and data mining

◆ CRM covers three main aspects of the customer life cycle
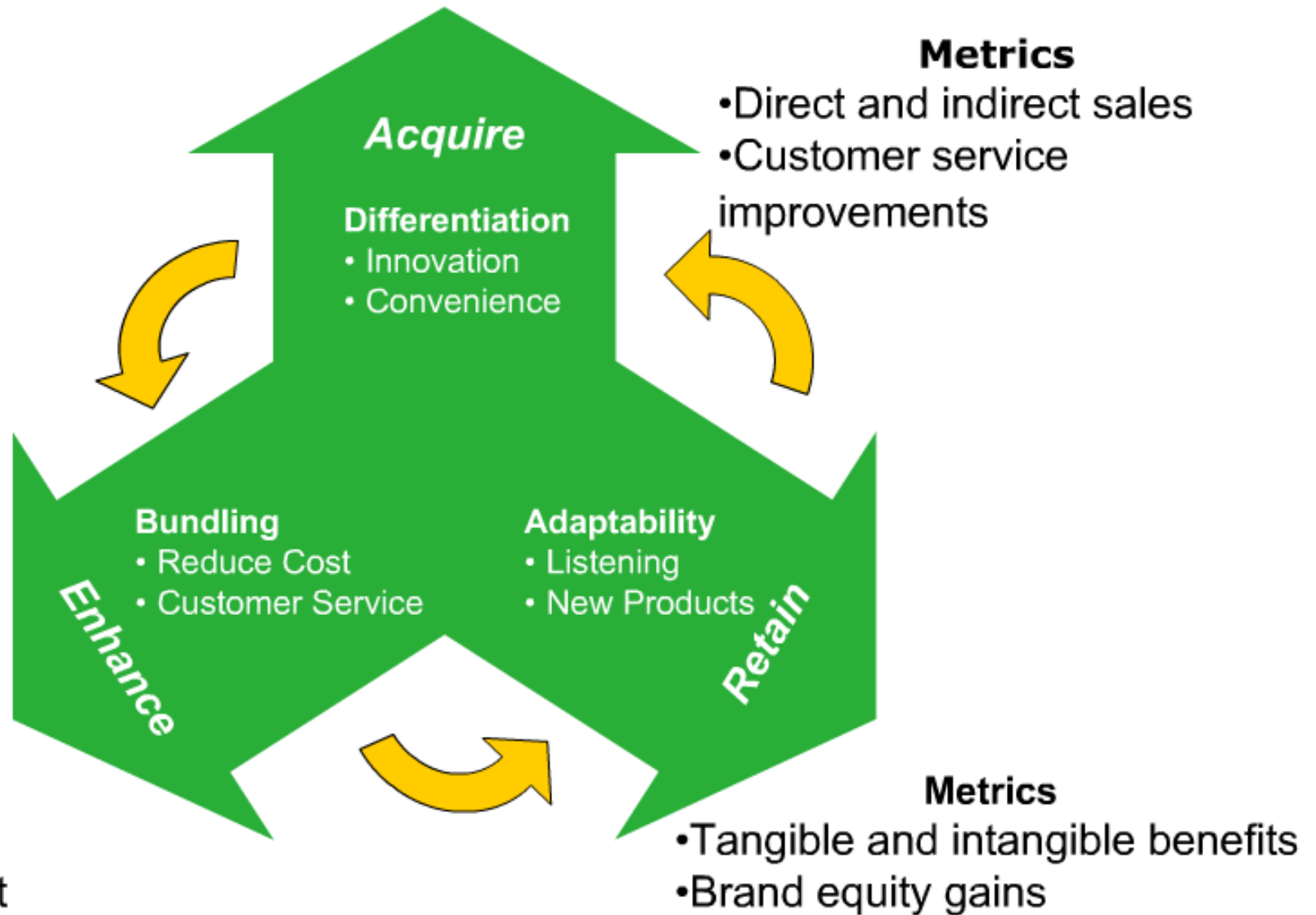
- Acquisition
- Retention
- Extension

Three phases of customer relationship management

Managing the Customer Life Cycle: The Three Phases of CRM

Acquire

Differentiation
- Innovation
- Convenience

Metrics
- Direct and indirect sales
- Customer service improvements

Enhance

Bundling
- Reduce Cost
- Customer Service

Adaptability
- Listening
- New Products

Retain

Metrics
- Lifetime value
- Share of wallet

Metrics
- Tangible and intangible benefits
- Brand equity gains

Kalakota,e-Business 2.0, 2001, p175.

Main examples we will see

◆ Retention
  - Churn analysis

◆ Acquisition / upgrade
  - Promotion redemption

◆ Extension
  - Promotion response (to improve service)
  - Market basket analysis

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