

# Customer Relationship Management (CRM)

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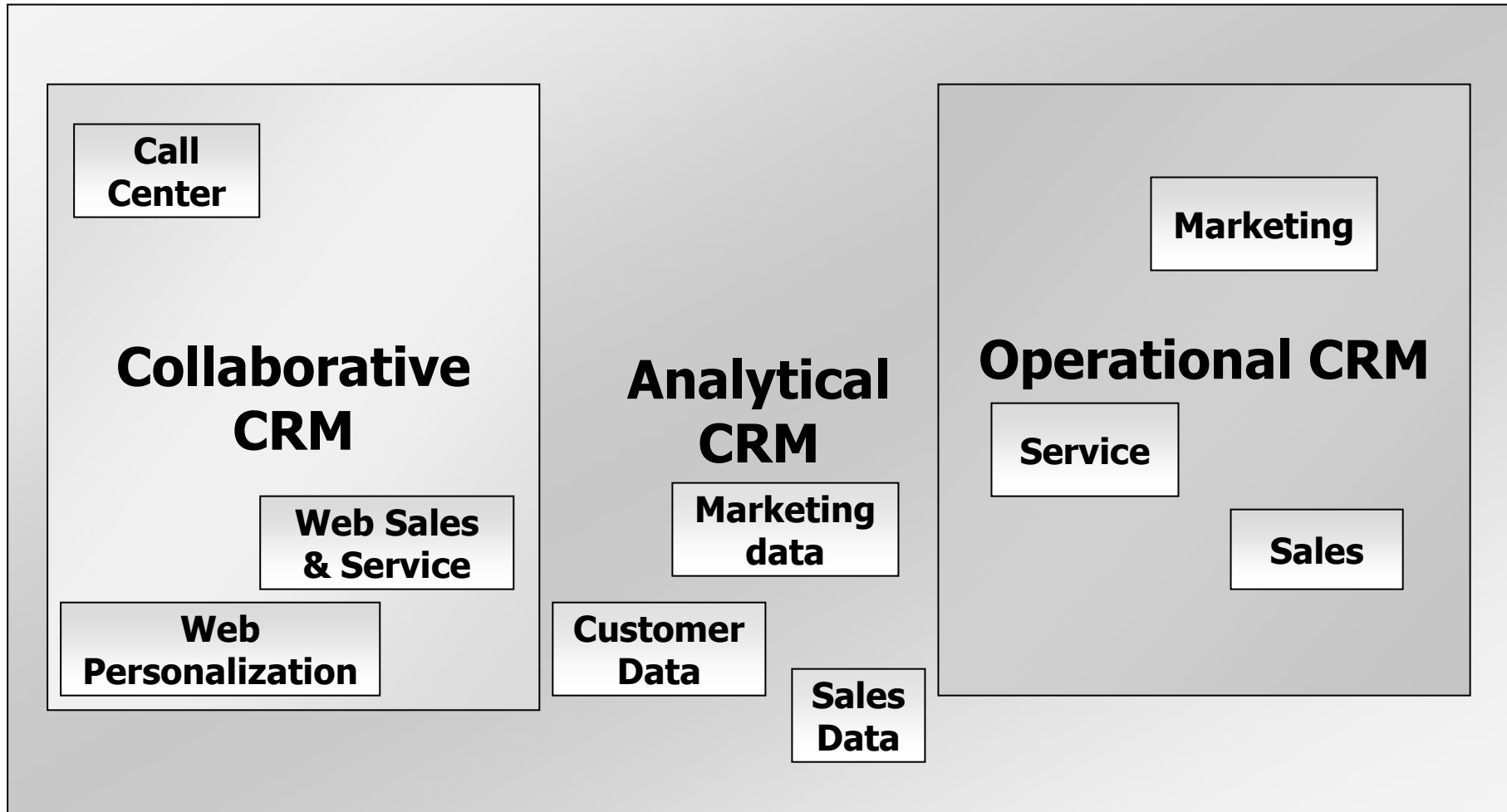
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# Session#2: Agenda

- CRM Technologies
- CRM solution structure
- Operational CRM
  - Sales Force Automation (SFA)
  - Customer Service & Support (CSS)
  - Enterprise Marketing Automation (EMA)
- Analytical CRM
  - Tools & examples
- Collaborative CRM

# 3 Types of CRM Technologies



# 3 Types of CRM Technologies

## ● Operational CRM

- Customer-facing applications that integrate the front, back and mobile offices, including sales-force automation, enterprise marketing automation, and customer service and support

## ● Analytical CRM

- Applications that analyze customer data generated by operational tools for the purpose of business performance management

## ● Collaborative/Communicational/Interactive CRM

- Collaborative services that facilitate interactions between customers and businesses
- Help to establish the lifetime value of customers beyond the transaction by creating a partnering relationship

# Operational CRM: Touching the customer

Customers

Customers

Customer  
Touchpoints



Call  
Center



Web  
access



E-mail



Usage



Direct  
Sales

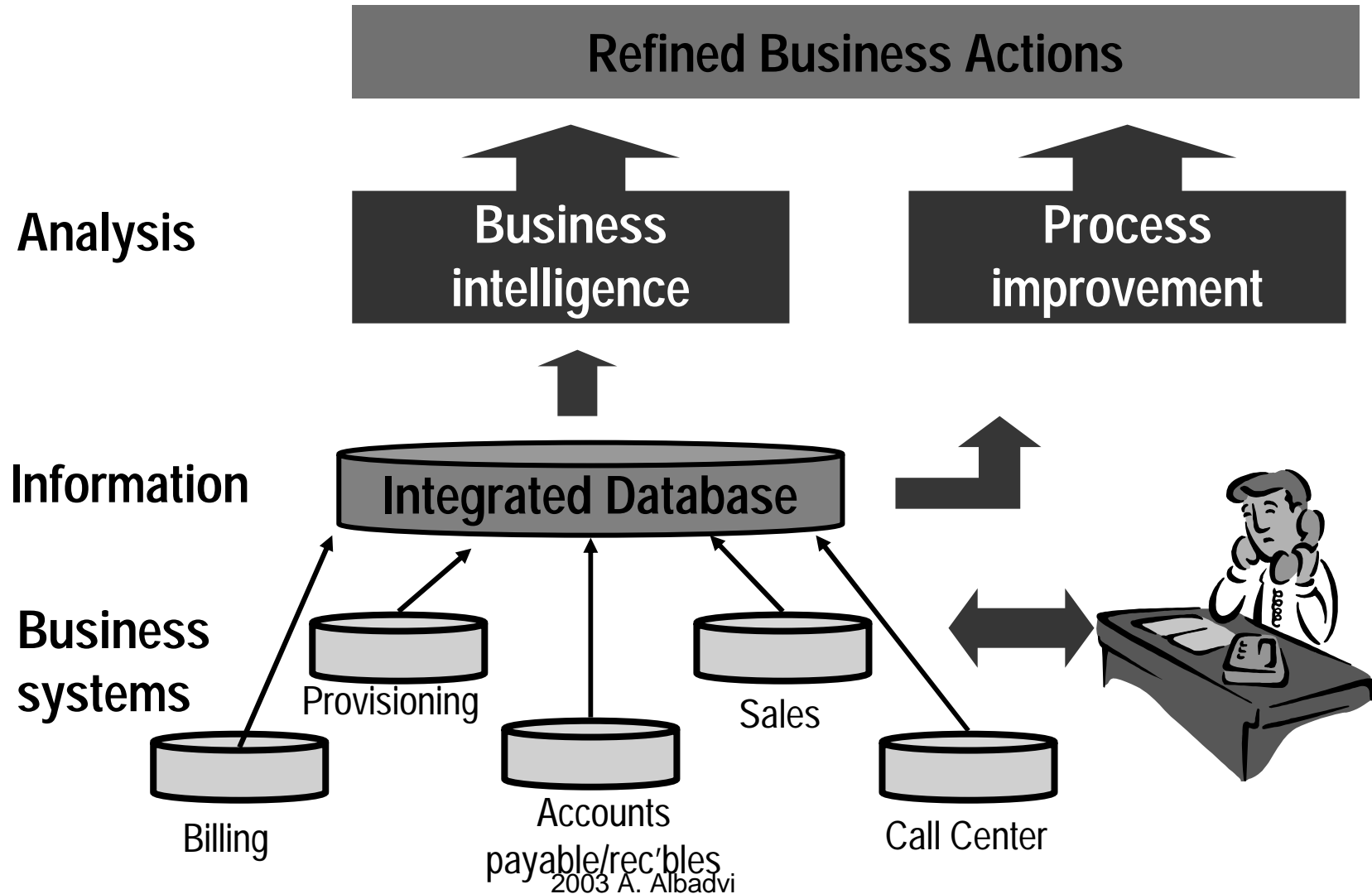


Fax



Refined Business Actions

# Analytical CRM: Understanding the Customer



# Operational CRM

Also known as “front-office” CRM, involves the areas where direct customer contact occurs ---  
”Touchpoints”

# Analytical CRM

Also known as “back-office” or “strategic” CRM, involves understanding the customer activities that occurred in the front office

# 3 Types of CRM Technology



## **Operational CRM**

Roles and workplaces implementing best-business-practices



## **Analytical CRM**

Underlying business warehouse and knowledge management

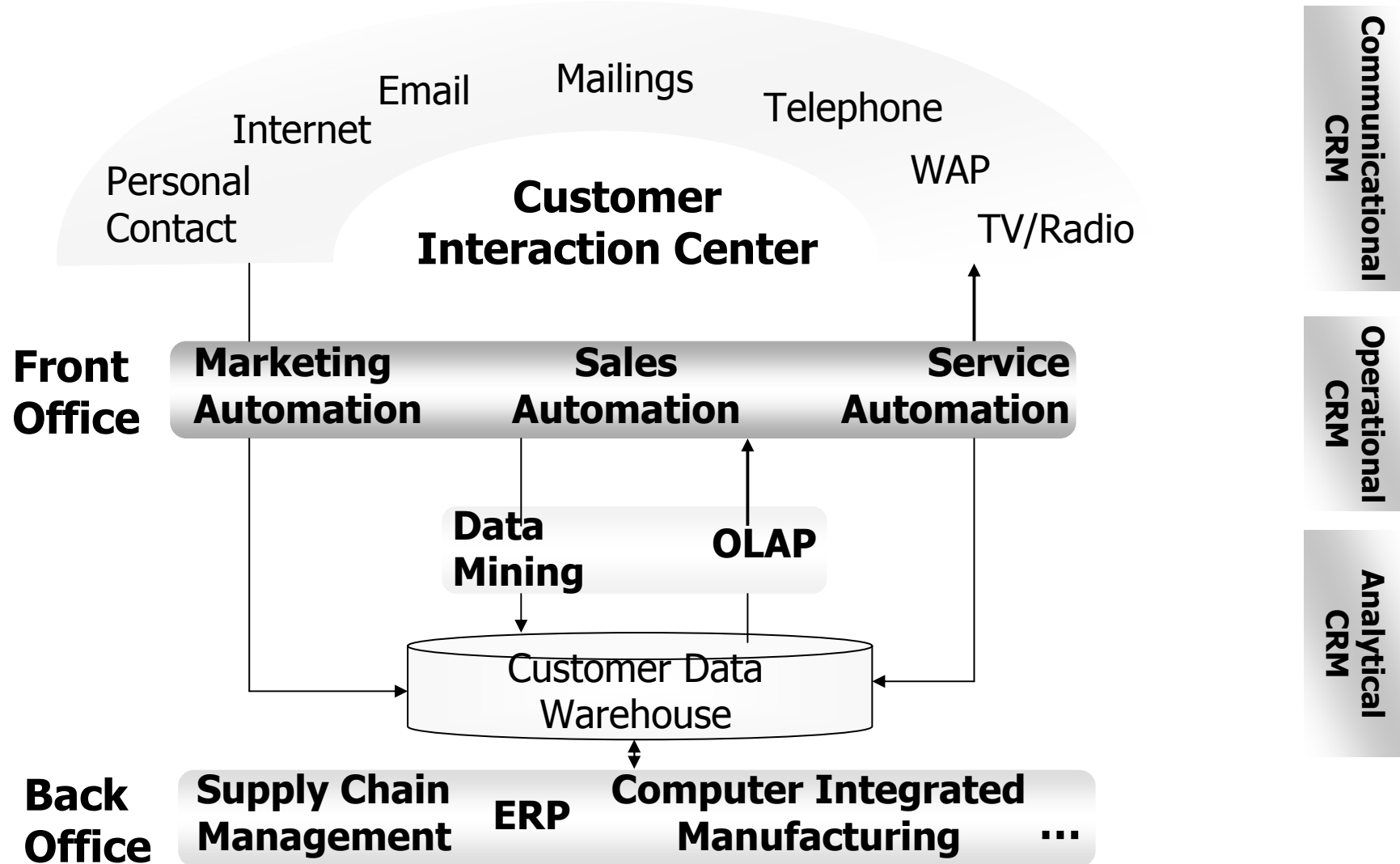


## **Collaborative CRM**

Collaboration across all channels (mobile, phone, Internet)



# CRM Solution Structure



# 1. Operational CRM

- Means supporting the so-called "front office" business processes, which include customer contact (sales, marketing and service).
- Tasks resulting from these processes are forwarded to employees responsible, information necessary for carrying out the tasks and interfaces to back-end applications are being provided and activities with customers are being documented for further reference.

# Objectives of Operational CRM

- Higher customer satisfaction by improved quality of contacts
- Cost savings by cross-functional integration of processes and process support
- Cost saving by deeper integration of communication with customers with company-internal processes

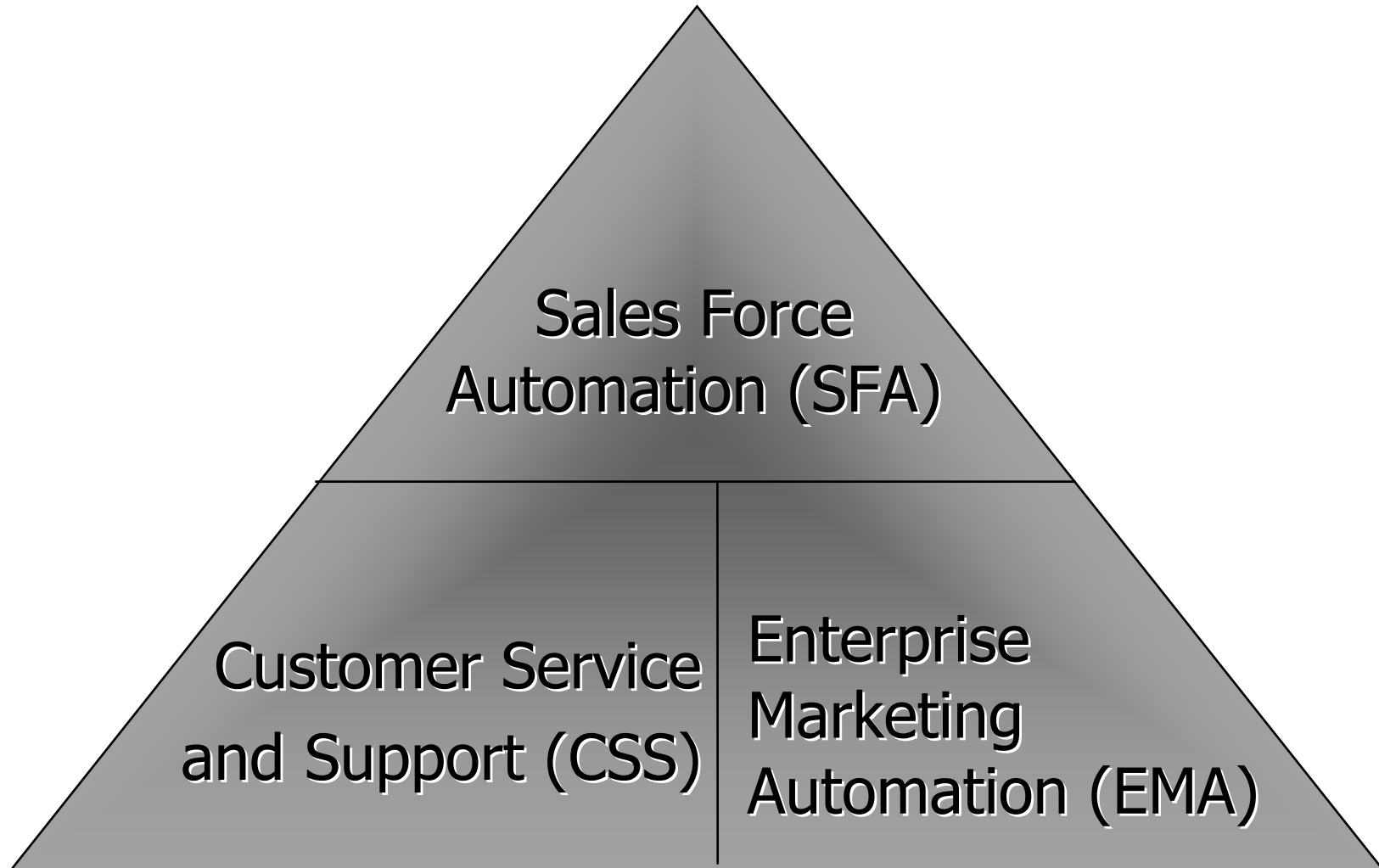
# Benefits of Operational CRM

Delivers personalized and efficient marketing, sales, and service through multi-channel collaboration

Sales people and service engineers can access complete history of all customer interaction with your company, regardless of the touch point

Enables a 360-degree view of your customer while you are interacting

# 3 Areas in Operational CRM



# Sales Force Automation (SFA)

- Sales Force Automation (SFA):
  - Critical functions e.g. lead/account management, contact management, quote management, forecasting, sales administration
  - Key infrastructure requirements are mobile synchronization and integrated product configuration
  - SFA tools are designed to improve field sales productivity

# Customer Service and Support (CSS)

- Customer Service and Support (CSS):
  - Internal help desk and traditional inbound call-center support for customer inquiries
  - Now evolved into the "customer interaction center" (CIC), using multiple channels (Web, phone/fax, face-to-face, kiosk, etc)
  - Key infrastructure requirements include computer telephony integration (CTI), high volume processing capability, and reliability

# Enterprise Marketing Automation (EMA)

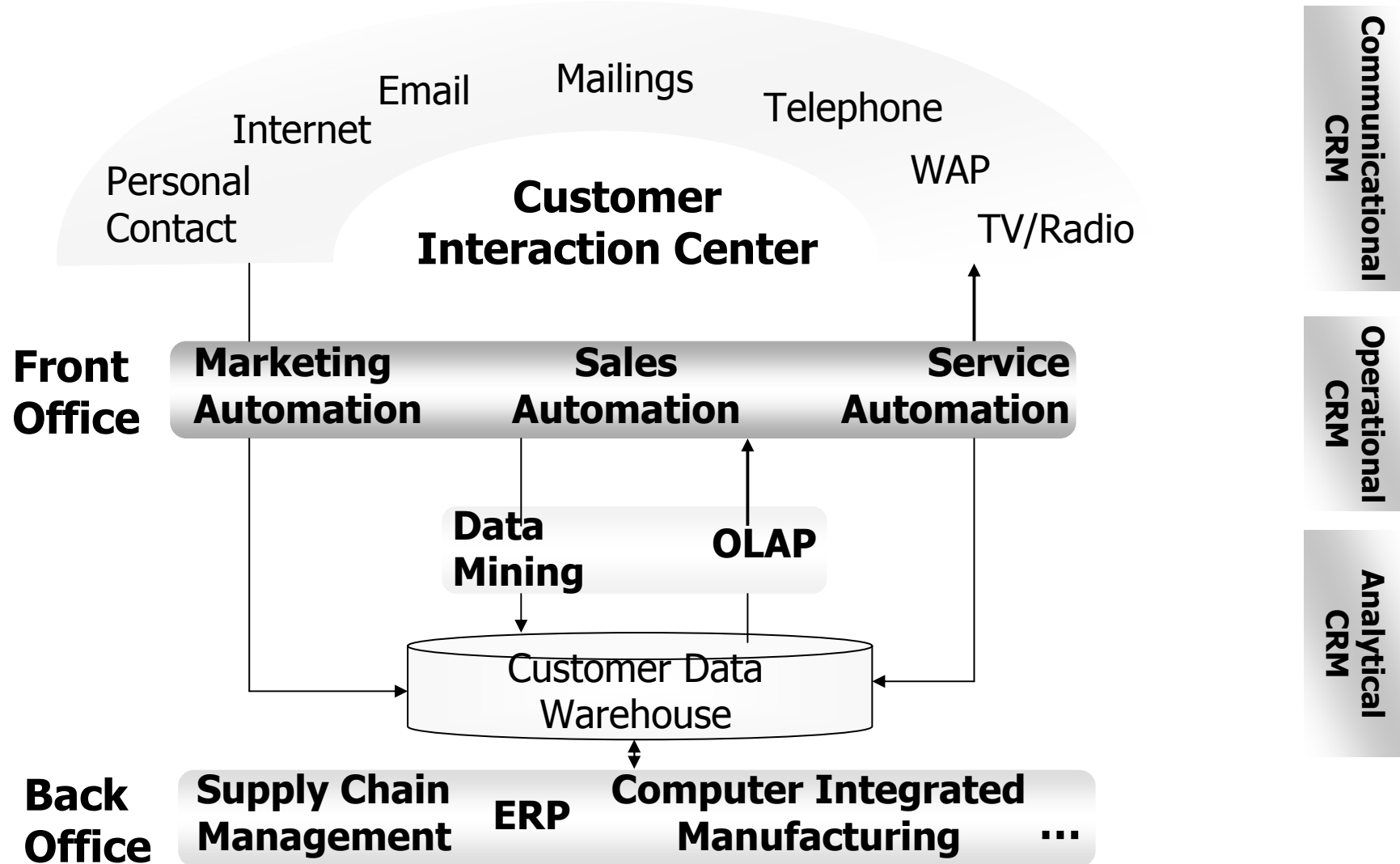
- Enterprise Marketing Automation (EMA):
  - The execution side of campaign and lead management. Demographic analysis, variable segmentation, and predictive modeling occur on the analytical (Business Intelligence) side and are CPU intensive
  - The intent of EMA applications is to improve marketing campaign efficiencies

**Tailor Answer to Each Request**





# CRM Solution Structure



## 2. Analytical CRM

- Data gathered within operational CRM are analyzed to segment customers or to identify cross- and up-selling potential
- Data collection and analysis is viewed as a continuing and iterative process
  - Ideally, business decisions are refined over time, based on feedback from earlier analysis and decisions

**Graphic showing customer relationship lifecycle responding to analysis of acquisition, growth and retention efforts**

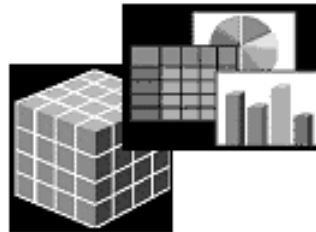


# Analytical CRM Can Provide...

- Customer segmentation groupings
  - dividing customers into those most and least likely to repurchase a product
- Profitability analysis
  - which customers lead to the most profit over time
- Personalization
  - the ability to market to individual customers based on the data collected about them
- Event monitoring
  - for example, when a customer reaches a certain dollar volume of purchases
- What-if scenarios
  - how likely is a customer or customer category that bought one product to buy a similar one
- Predictive modeling
  - for example, comparing various product development plans in terms of likely future success, given the customer knowledge base

# Analytical CRM

- Analytical CRM is inextricably tied to a Data Warehouse architecture, and use analytical applications to leverage optimized functionality for analysis and reporting
  - Ad-Hoc Query
  - Reporting
  - OLAP
  - Data Mining



# Data Mining Defined

## ● Data mining is

- the non-trivial extraction of implicit, previously unknown, and potentially useful knowledge from data
- a variety of techniques used to identify nuggets of information or decision-making knowledge in bodies of data, and extracting these in such a way that they can be put to use in areas such as decision support, prediction, forecasting, and estimation

Extracting actionable intelligence from large datasets

# Example of Analytical CRM Tool: EIS

## ● What is an EIS?

“ An EIS is a computer-based system that serves the information needs of top executives. It provides rapid access to timely information and direct access to management reports. EIS is very user-friendly, supported by graphics, and provides exceptions reporting and “drill-down” capabilities. ”

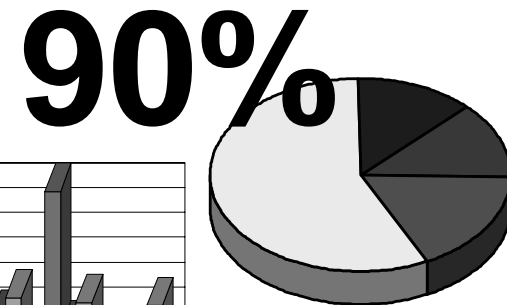
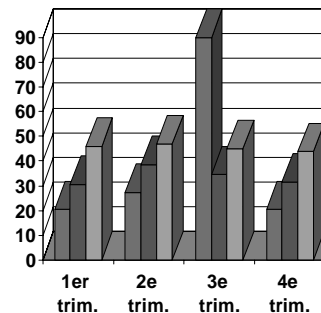
- Rockart and DeLong

# Characteristics of EIS

- Drill Down
- Exception Reporting
- Navigation of information under different formats
- Critical Success Factors (CSF)

- Strategic or operational
- Derived mainly from 3 sources:

- 1- Organizational factors
- 2- Industry factors
- 3- Environmental factors



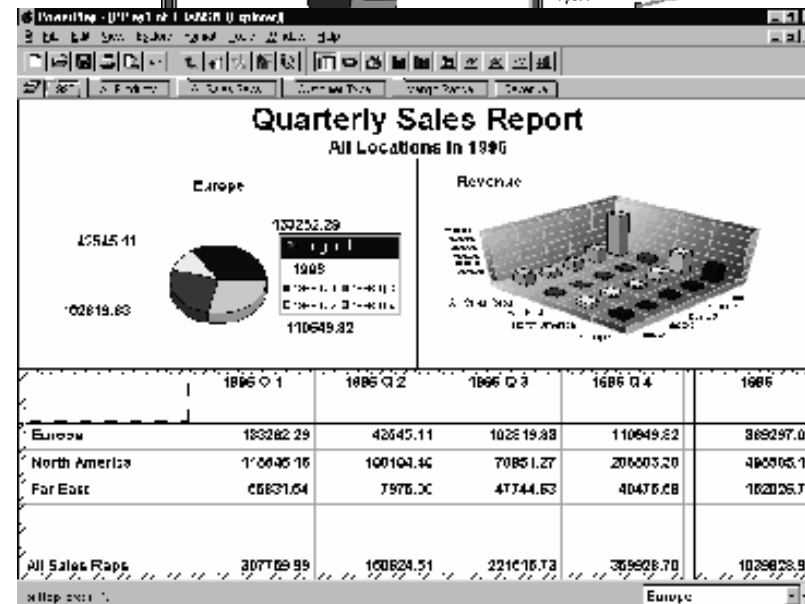
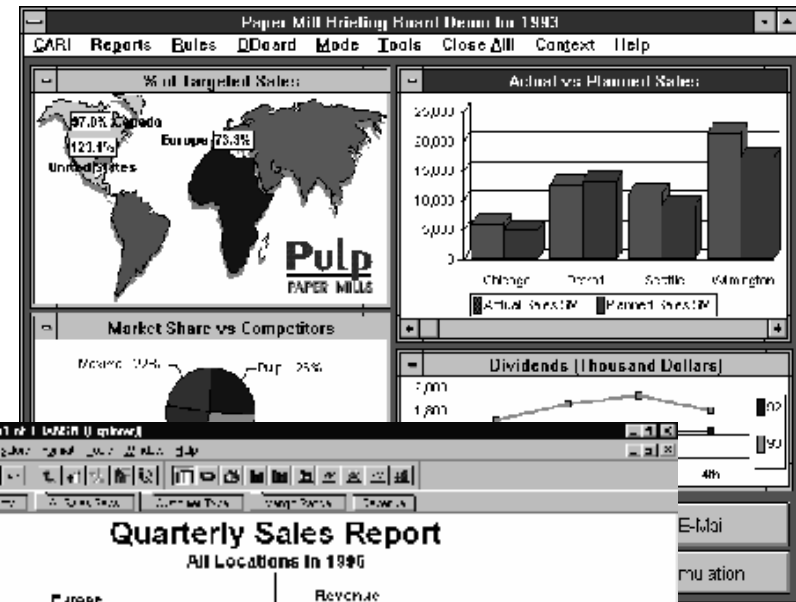
# EIS Benefits

- Facilitating the attainment of organizational objectives by
  - ☺ Rendering the user (management) more productive:
    - ☺ Increasing the quality of decision-making
    - ☺ Increasing communication capacity and quality
    - ☺ Facilitating information access
    - ☺ Saving time



# Examples of EIS Products

- Commander center
- Commander EIS
- SAS
- PowerPlay
- Media



# Example of Analytical CRM

## Tool: OLAP

- On-Line Analytical Processing (OLAP)
  - a category of software technology
  - enables analysts, managers and executives to gain insight into data
  - through fast, consistent, interactive access to a wide variety of possible views of information transformed from raw data
  - to reflect the real dimensionality of the enterprise as understood by the user
- Combined EIS and DSS capabilities

# Benefits of Analytical CRM

Decreases customer churn rate by identification of customer which are likely to quit and increase loyalty

Enables segmentation by customer value

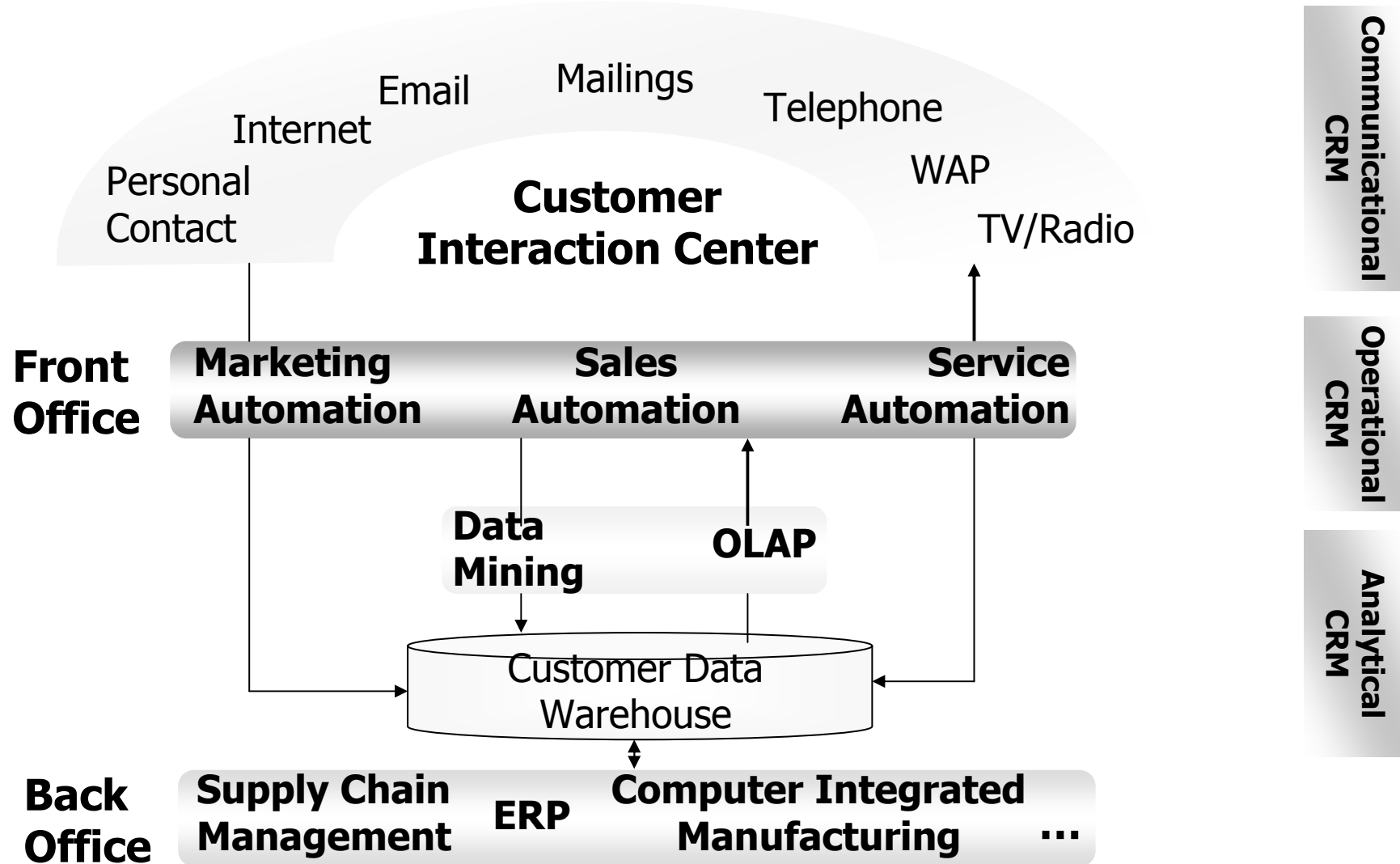
Increases sales per customer by up-selling and cross-selling

Allows quick design and develop value-added products and services that meet customer needs

Increases profitability and control costs

Improves supply chain management, resulting in lower costs and more competitive pricing

# CRM Solution Structure



# 3. Collaborative CRM

- Facilitates interactions with customers through all channels (personal, letter, fax, phone, web, e-mail) and supports co-ordination of employee teams and channels
- A solution that brings People, Processes and Data together so companies can better serve and retain their customers
- The data/activities can be structured, unstructured, conversational, and/or transactional in nature

# Benefits of Collaborative CRM

Enables efficient  
productive customer  
interactions across all  
communications  
channels

Integrates view of  
the customer while  
interaction at the  
transaction level

Enables web  
collaboration to  
reduce customer  
service costs

Integrates call  
centers enabling  
multi-channel  
personal customer  
interaction

# Collaborative CRM Example

- Customers meet problems sometimes
  - e.g. when using e-banking where they need to fill in  $\infty$  amount of info
- They can seek for help from
  - Online FAQs
  - Sales reps by phone
  - Virtual sales reps