

Unit 12

Technology enables CRM

In CRM terms perhaps the biggest danger is to assume that technology can always effectively replace personal contact. Technology-supported developments aimed at increasing the efficiency of the organisation (eg call centres, telephone menus) do not necessarily always increase value or convenience for the customer.

Technology for building relationships

Ways in which technology contributes to building relationships with customers

- Enhancing customer care & service
- Identifying best customers
- Establishing what product/service to provide
- Enhancing capabilities
- Managing costs and value of relationships
- Performing a control function
- Customising products
- Customising communication and interaction

Technology: Facilitator of CRM

Developments in technology

- The Internet
- Data warehouses
- Data mining

Ways in which technology contributes to building relationships with customers

Enhancing customer care & service

- The internet instead of using human operators eg: (queries)
- Technology is being applied to facilitate & add value to customer relationships (eg: hotel)

Identifying best customers

- Ability to create more customer value
- Specific customers can be identified & focused on
- Appropriate data warehouse

Establishing what product/service to provide

- Establish the types of product or services provided
- Whether business should produce products or services or whether production should be outsourced.
- Eg: Furniture (credit and features of products)

Enhancing capabilities

- Technology implementations themselves comprise the heart of the
- Eg: computing, data ware-housing content (a website or interactive voice response) front end to the customer & communications linkages within business & with customers.

Managing costs and value of relationships

- Helps company manage costs of securing, serving & retaining customers by allowing marketers to understand, in real time, the revenues & costs associated with each customer.
- Business rules to base decisions of customer interaction with (eg: eskom & telkom)

Performing a control function

- Tactical controls ensure that the business processes actually perform as planned.
- Strategic controls track product profitability & all related costs (eg servicing, support, communications)
- Eg: Customer retention

Customising products

- Customers & suppliers working together to ensure a joint effort to continuously create & improve value.
- Business collaborates with the customer to design a product the customer wants.
- Customers can order exactly what they want so as to meet their needs most effectively.

Customising communication & interaction

- Customers may be served as individuals & communication efforts to include b2-individual customer conversations
- Provides the knowledge & insight for customer to be contacted at the right time when ready to buy by using the preferred communication media.

Developments in technology

Internet technology

- Provides opportunities to engage the customer interactively using standard processes, but which allow customers to assemble the value they want in a customised product.
- Pull technology is employed when a customer visits a website & makes a product or info selection decision while online. Customers specify what they wish to be informed about
- Push technology makes the experience more passive, but the info will still have been tailored to individual preferences, which businesses then acts on.

Data warehouses

- The engine that enables CRM is the database.
- Large amounts of info about the customer, obtained from internal sources, from the customer & from third Parties: government, credit bureaus, market research companies.
- Data may include behaviour, preferences, lifestyle information, transactional data & data about communications with the company before, during & after the sale; customer profitability, satisfaction, retention, loyalty and referrals.
- May be described in terms of the processes & layers needed to automate & add value to communications with the customer & to facilitate mass customisation.
- Enables companies to extract info from data to develop a better understanding of, for example, the most profitable relationships.

Data mining

- Info technology is used to uncover previously unknown patterns of behaviour, trends & issues arising from assessment of warehoused data.
- Requires huge, parallel computers & task-appropriate software to search through large qty of data.
- Patterns of behaviour permits companies to segment markets in new ways, retain customers & become more relevant by designing products & services to meet needs of customer 'clusters', communicate with them more effectively & earn their loyalty.
- Database queries answer queries
- Data mining, employs tools that look for meaning, find patterns in the data and infer rules that may be causal, predictive or descriptive. This can lead to better management decisions in areas such as planning, matching inventory to customer requirements, customer targeting and improving general marketing & operating processes.

Technologies to support CRM

Increased computer processing led to a rise in CRM

- The convergence of other technologies with computers, such as satellite communications, the internet, wireless devices & cellular technologies.

CRM software solutions

- Enterprise solutions; Stand-alone or on-premises solutions; Hosted solutions; Mobile CRM; Web-based (or customer-directed/self-help solutions)

Telephony solutions

- Interactive voice response systems; Voice-over internet protocol; Cellular phones; Text Messaging; Unstructured supplementary data services

Promotional Technologies

- Radio, television, print media, websites, social media; digital billboards, DSTV (PVR) – (fast-forwarding over adverts) – keep eyes open for new developments in promotional technologies.

Sales force automation technologies

- Should strive to achieve four goals, it should: have a marketing function; have a data capture function; empower the selling process; enable the sales person to solve problems. Technologies that contribute to SFA are laptops, tablets, PA's software – sales person would need access to it

Kiosk & dispensing machine technologies

- Remote information, teller & dispensing machines – touch point and key selling channels – need to be always working.

Database mining & marketing

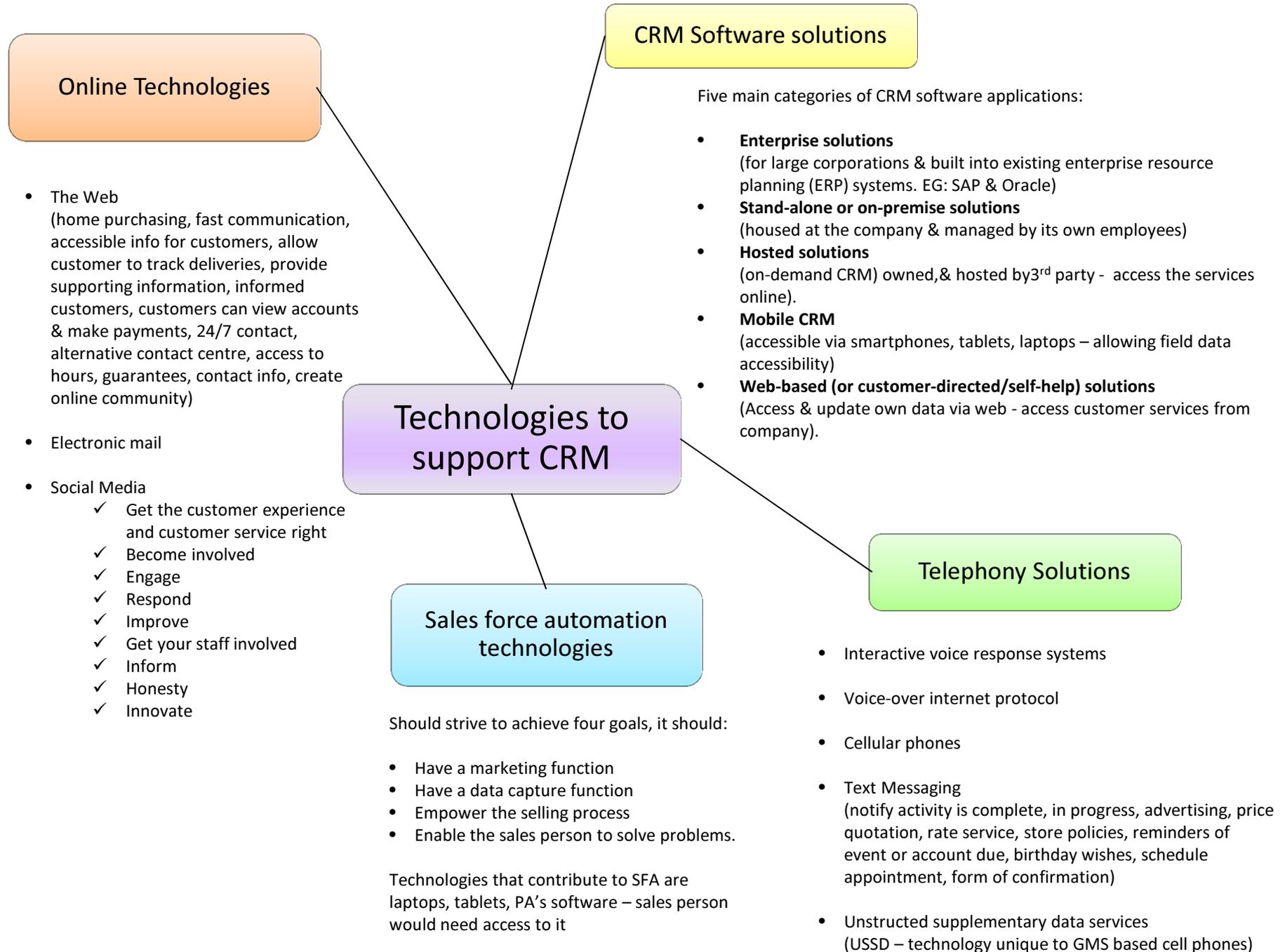
- Proactively capture and analyse the information about customers and using it to strengthen relationships.

Online technologies

- The Web, Electronic mail, Social Media (Get the customer experience and customer service right, Become involved, engage, respond, improve, get your staff involved, inform, honesty, innovate)

Other technologies to consider

- Marketing managers need to keep abreast of the latest technologies. EG: Fax on demand, smart cards



The objectives of CRM software include to:

Track & manage all customer related info in a single desktop interface

Provide access to complete customer history

Leverage individual expertise of certain staff within the organisation through knowledge management

Automate business processes to initiate actions

Know which marketing campaigns are having the most impact on customers

Standardise and automate the sales process where possible

Track customer services interactions and measure levels of customer service

Use corporate dashboards to gauge key performance indicators

Consolidate various customer database silos into a single contact list