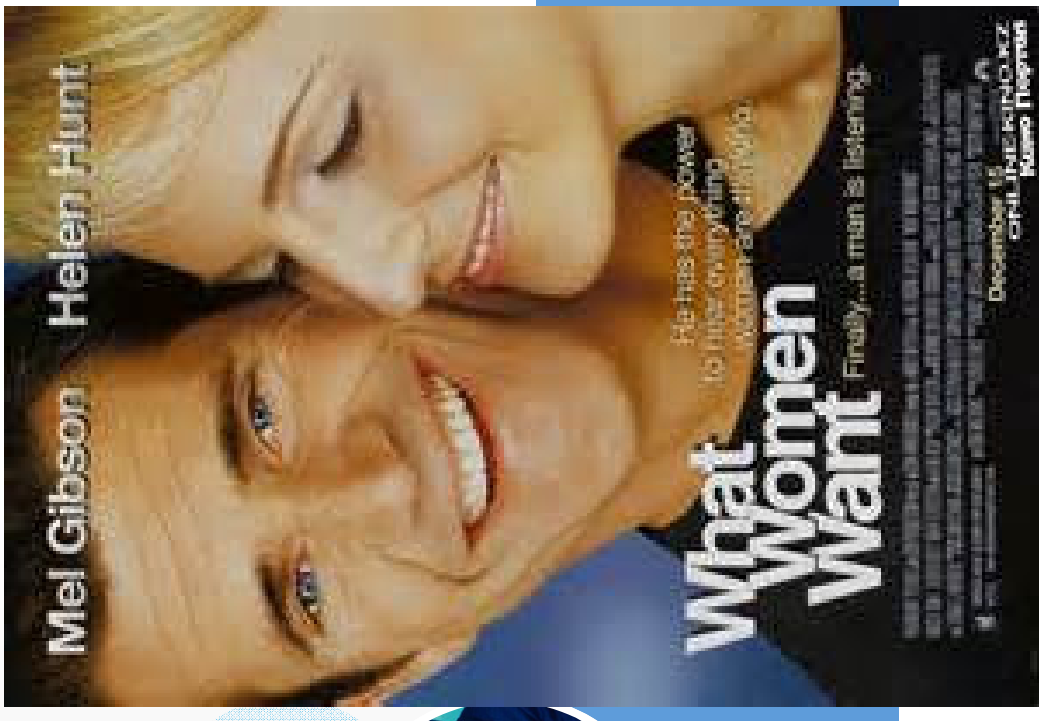


Chap 8: What the customer want, knowing CRM and SCRM

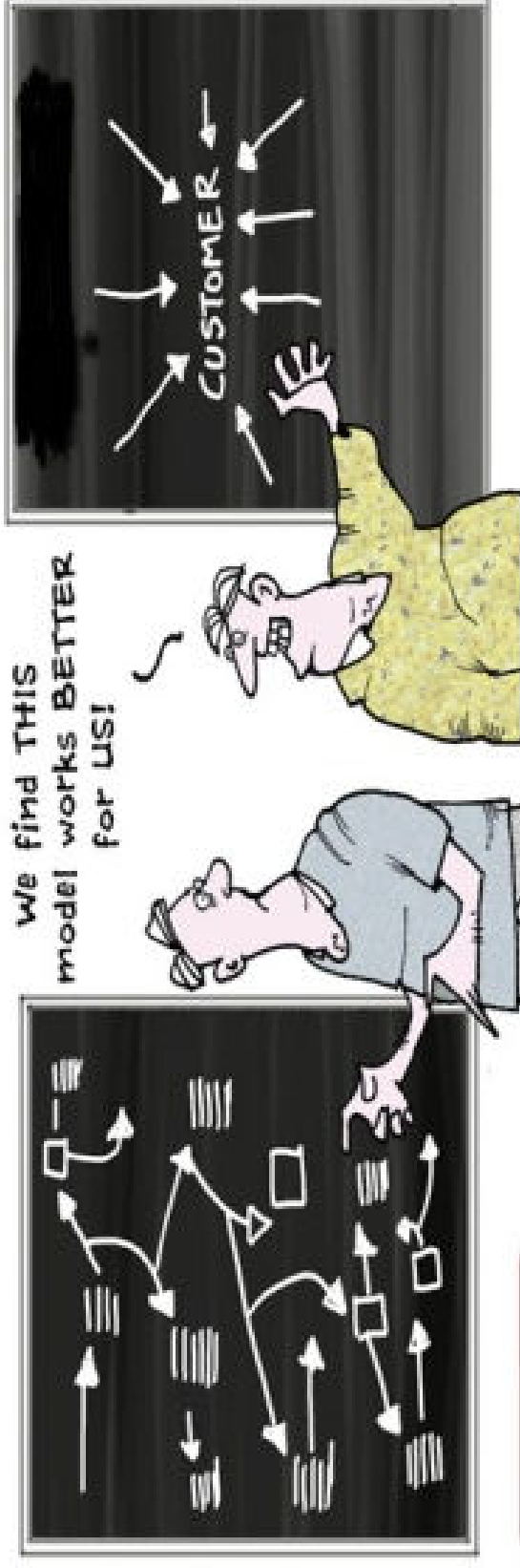


Dr. Yeffry Handoko Putra

Universitas Komputer Indonesia



WHAT DOES THE CUSTOMER WANT?







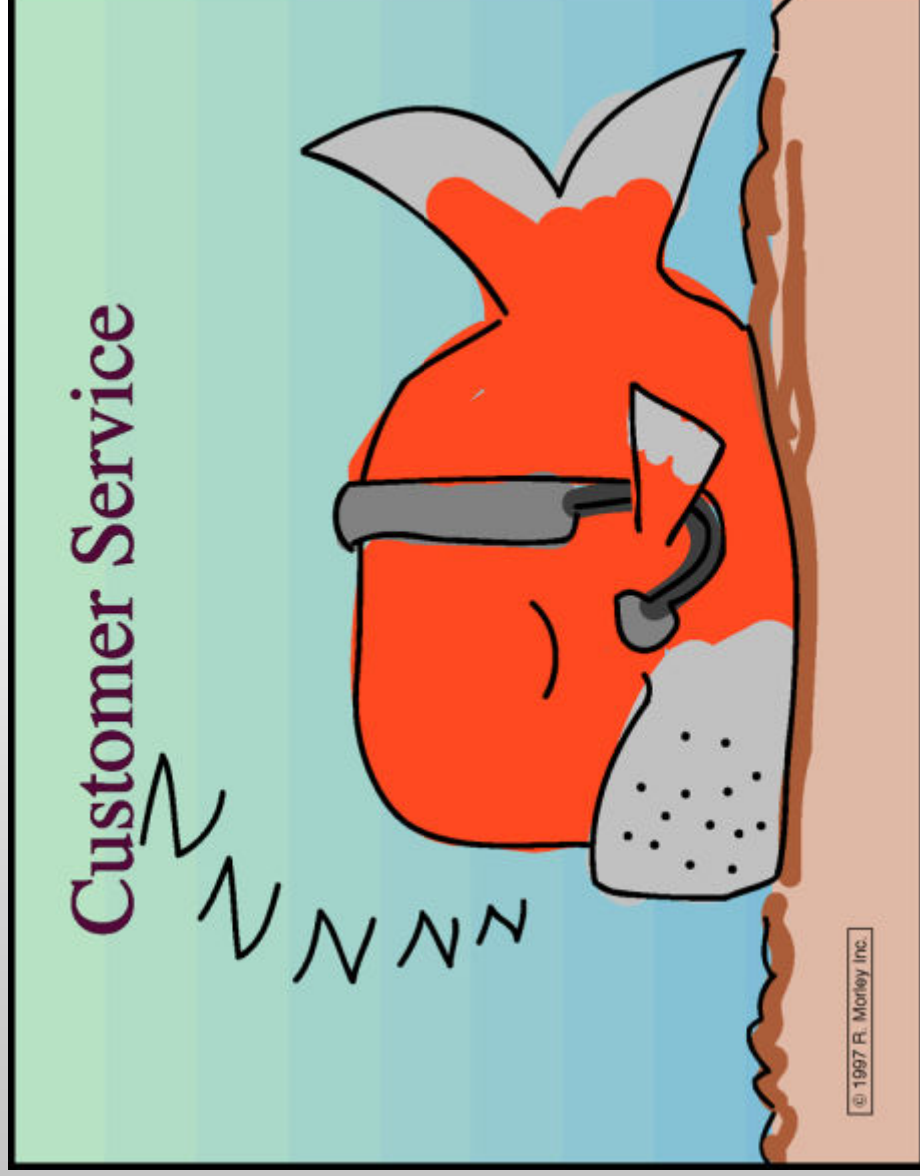
WHAT DOES THE CUSTOMER WANT?

A large manufacturer produced five product lines and had a strong market position. But, the company was only marginally profitable. Management was contemplating what to do.

When we asked them what their internal perceptions were regarding their customers' wants, they offered a "gut feel," but had no hard internal data.

Internal Perception <small>(what management thinks)</small>	External Perception <small>(what customers want)</small>
<div>1. Best product</div> <div>2. Broadest product line</div> <div>3. Best engineering</div> <div>4. Special design capability</div>	<div>?</div>

Customer Needs





Customer Needs

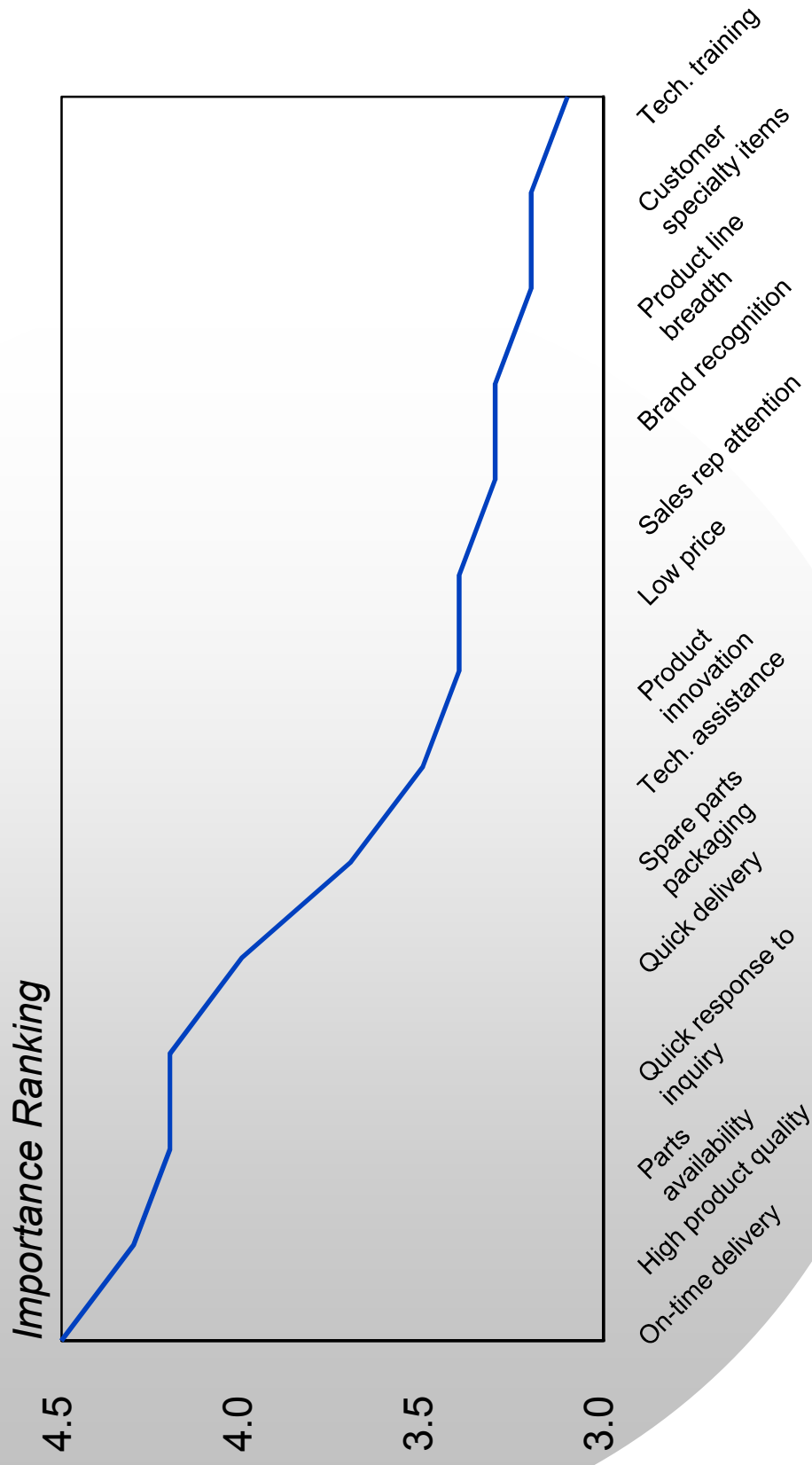
- ❖ **Who is your customer?**
 - What age, gender, group does our product appeal to?
- ❖ **What services or products do they expect from you?**
 - Do we provide personal services, do your products serve as advertised?
- ❖ **How do you listen to and learn from your customers?**
 - Do we provide feedback calls or emails?
- ❖ **How do you retain and acquire new customers?**
 - Do we use new advertisement and how do we advertise?
- ❖ **How do you meet customers' needs?**
 - Do we provide help lines and how can we provide help to customers?
- ❖ **How do you measure customer satisfaction and dissatisfaction?**
 - Do we use surveys to find out how customers feel about us?

WHAT DOES THE CUSTOMER WANT?



What The Customer Says

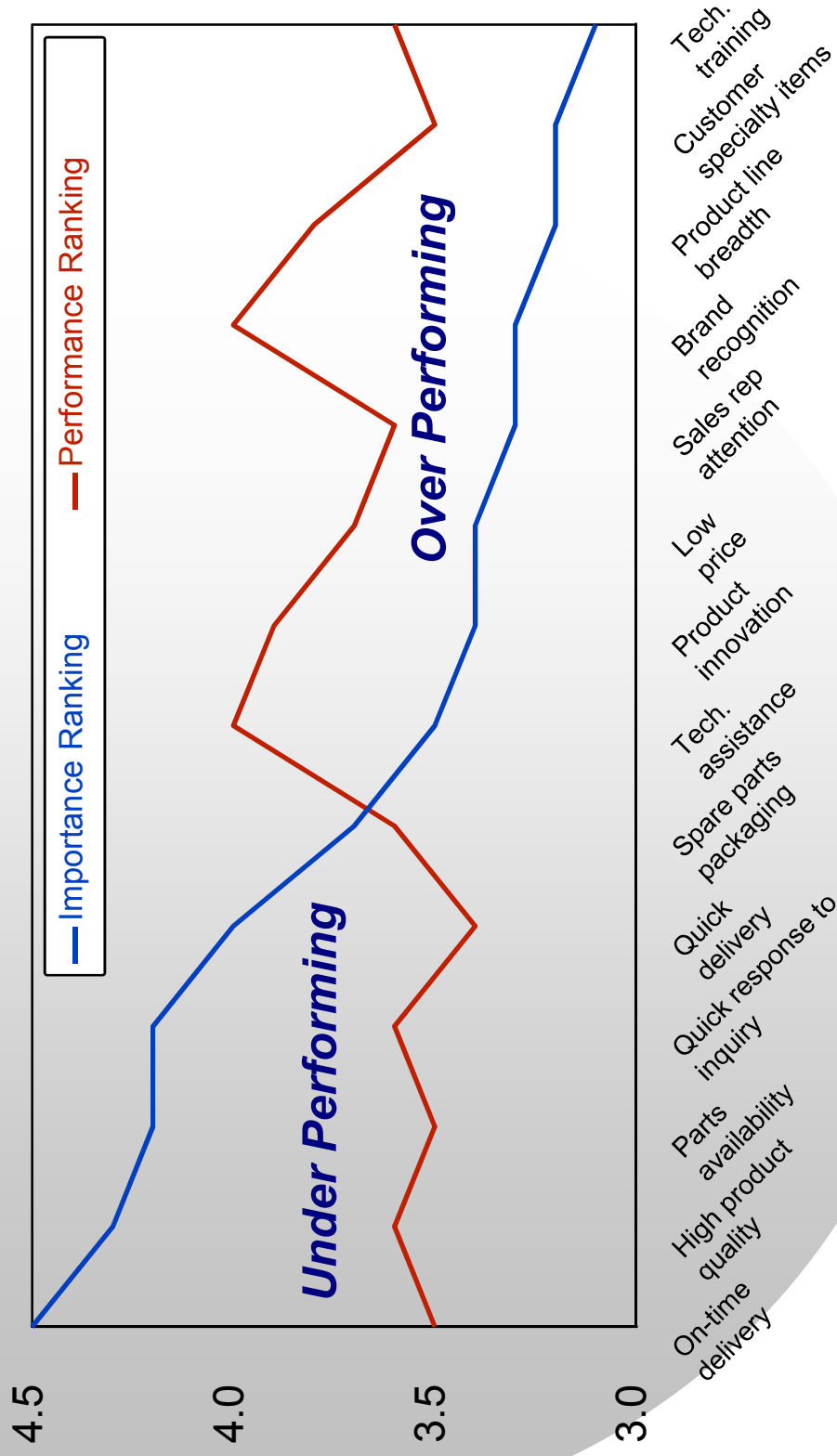
Customers were asked to rank the importance of 14 different satisfaction attributes on a scale of 1 to 5, with 5 being the most important.



HOW ARE YOU DOING WITH THE CUSTOMER?

What The Customer Says

The company is under performing in areas identified as most important, and is expending resources to over perform in areas which are not as highly valued.



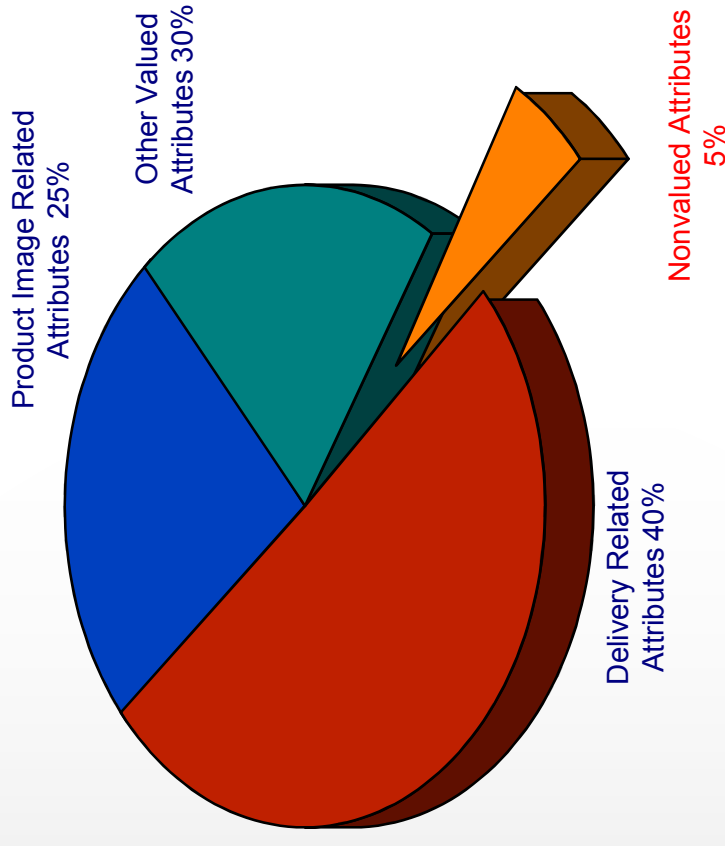


REDUCING COST WHILE SATISFYING THE CUSTOMER

Eliminate Those Activities Which Support The Attributes Not Valued By The Customer And Reduce Your Cost

Redirect Effort Of Company

- Eliminate nonvalued activities
- Augment valued activities
- Allocate resources to get satisfaction ratings up in areas considered critical by the customer



The pie chart illustrates the characteristics of customer satisfaction, which were ranked in importance on the previous slides, after they have been aggregated into four attribute categories to include those attributes; related to delivery, related to product, other attributes which were valued and those other attributes that were not valued.



The Perspective in IT-Art Design



Balanced Scorecard (Kaplan & Norton)



Customer Concerns

❖ There are four major categories that managers need to address when concerning their customers.

- **Quality**

- Are there often recalls or problems with defects with our products.

- **Time**

- Do we save time by limiting defects and do we provide fast on time delivery.

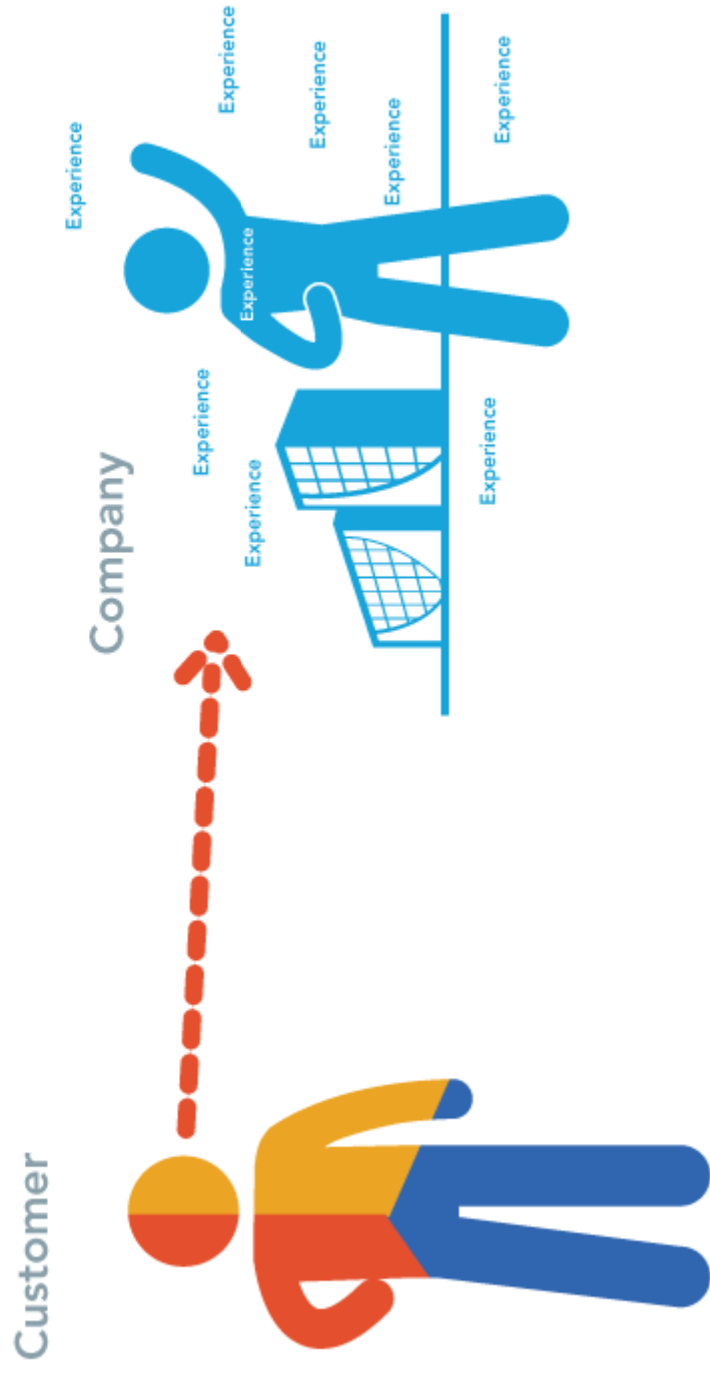
- **Performance and service**

- Do we perform up to customers standards and do we provide fast and adequate services.

- **Cost**

- Do we try to minimize cost when dealing with ordering, scheduling delivery, and paying for materials in order to lower cost of our products to our consumers.

Customer Perspective





Customer Perspective



- ❖ With customer perspective managers and companies have to be careful and make sure they are setting up their balance scorecard to help customers.
- ❖ Examples of things that don't concern customers are profit per customer, revenue per customer, and improve profit per customer. **Cash Back !**
- ❖ These objectives don't necessarily pertain to the customer perspective but rather the companies perspective of the customer.
- ❖ Managers need to take a step back and look at how customers perceive your company and what they want to get out of your company.



Perspectives of Kaplan and Norton

❖ There are four broad categories that Kaplan and Norton base the customer perspective around.

- **Best buy**
 - Companies that supply services and products at low prices and fast service.
- **Product leadership and innovation**
 - Companies that focus on customer that buy the newest and most advanced cutting edge technology.
- **Customer complete solutions**
 - Companies that try to sell things like computers where customers customize them to their liking.
- **Lock in**
 - Companies that will make a product then to buy accessories for that product you have to buy the same brand name because other brands out work with that product.



Customer Analysis Case Study

Creating Advantage By Satisfying The Customer Over Time



This means ...

- ***Knowing the customer's changing needs and wants, and how they rank in importance.***
- ***Knowing how you perform when satisfying those needs and wants.***
- ***Fulfilling those needs and wants at the lowest possible cost.***



SATISFYING THE CUSTOMER

Three Critical Dimensions To Satisfying The Customer

- Who is the customer?
- What does the customer want?
- How are you doing with the customer?

Only with these answers can customers be profitably satisfied!



WHAT DOES THE CUSTOMER WANT?

The Messages Of The Illustration

- Internal perceptions do not necessarily reflect external realities.
- Only spend resources on those things the customer values and do those things only as well as ~~the customer needs~~.
- Recognize the customer's expectations will change over time.
- Track these changes and your performance.
- Adjust your capabilities and processes in tune with target customer expectations.
- Customer satisfaction, at a profit, can only occur after this.

Questions For You To Consider

- ✓ How do you know what your customer expects and how do you rate in fulfilling?
- ✓ What programs are underway to align your business to customer expectations?
- ✓ What are you doing to position your company in the mind of the customer?
- ✓ When the customer thinks of you, what does he see? Is there a GAP between what they think and what you think?



Customization vs Personalization

amazon Prime

Shop by Department

3D PrintingJewelryHome & KitchenToys & Games

Search3D Printing

Saurabh's Amazon.comToday's DealsGift CardsSellHelp

Hello, SaurabhAccountGo

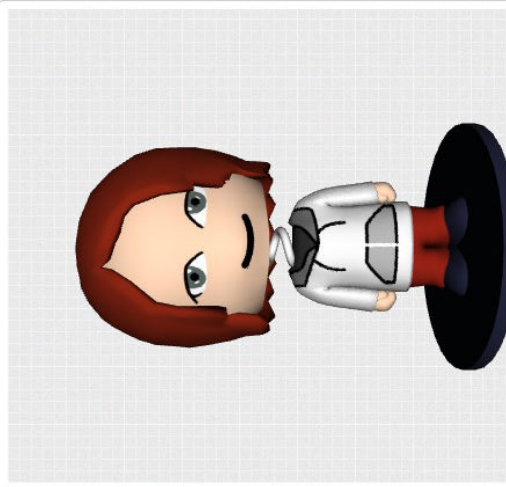
Your PrimeCartWish List

Create Your Own Customized Design

Unleash your creativity! Choose from any of our personalization options to make a product unique to you and your loved ones. With our 360 degree interactive feature, witness your creation turn into reality. What a great way to be uniquely you! [Learn more](#)

FrontBackSide

Click and drag object to rotate.



Head

Skin Color

#fad1b2

RedGreen

Hair

Outfit

Pants

Shoes

Eyes

Mouth

Reset

Qty: 1

\$29.99 + Free Shipping

Usually ships within 6 to 10 days

Sold by Mivee Labs

Personalize Now

Learn more

Add to Cart

Add to Wish List

Have one to sell?

Share

Sell on Amazon

Product Description

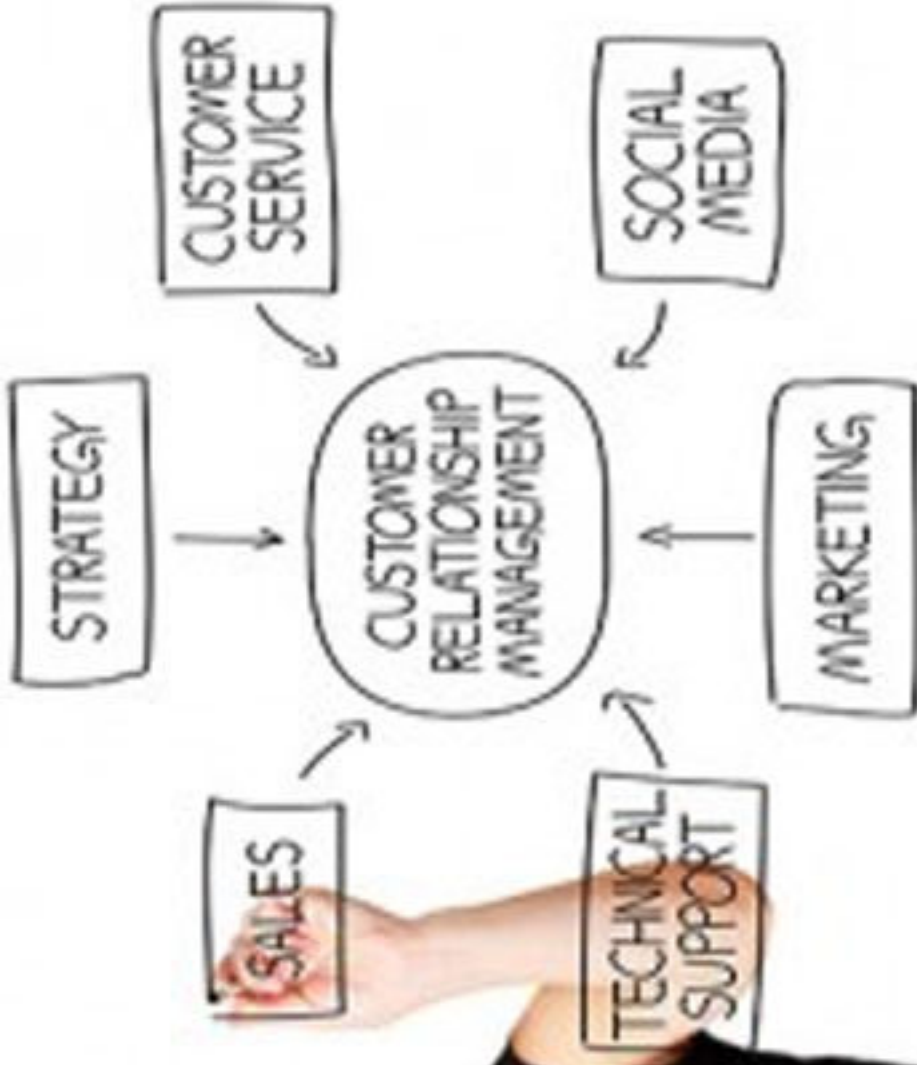
Add a little bounce to your life by making a 3d printed, bobbling friend.



**YOU CAN PUT YOUR DESIGN
ON THIS PRODUCT!**



What is CRM?

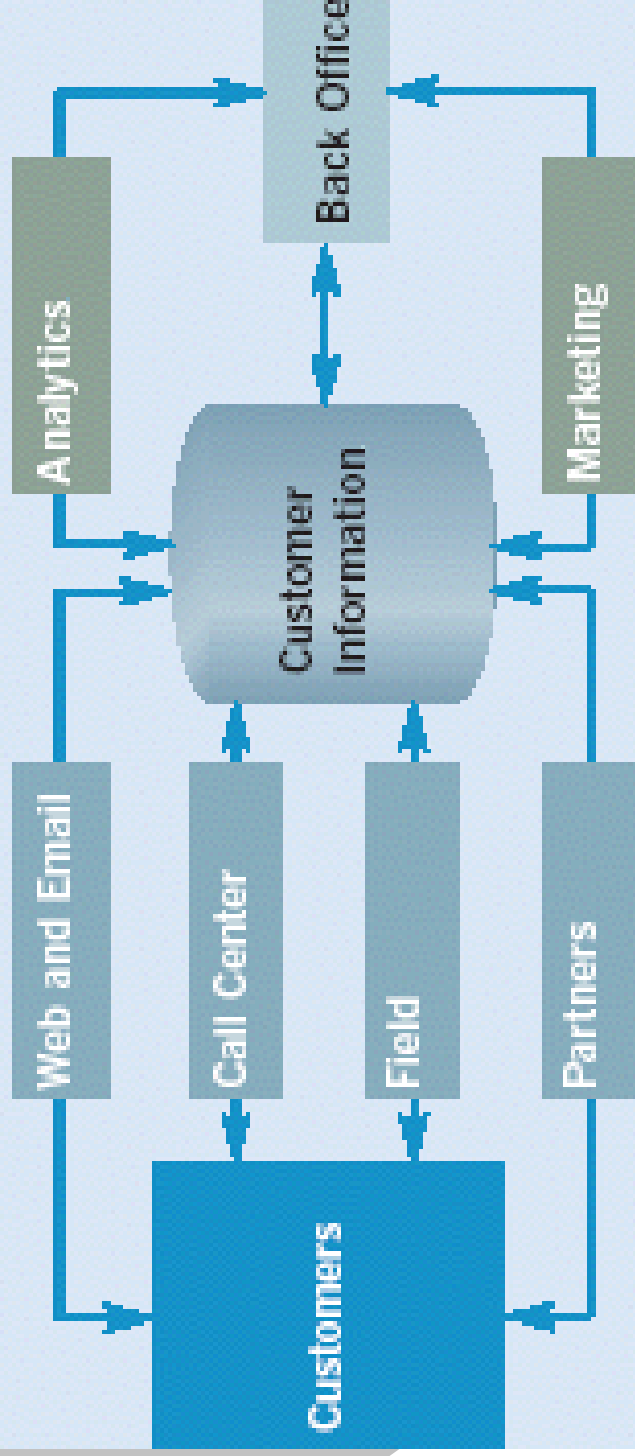


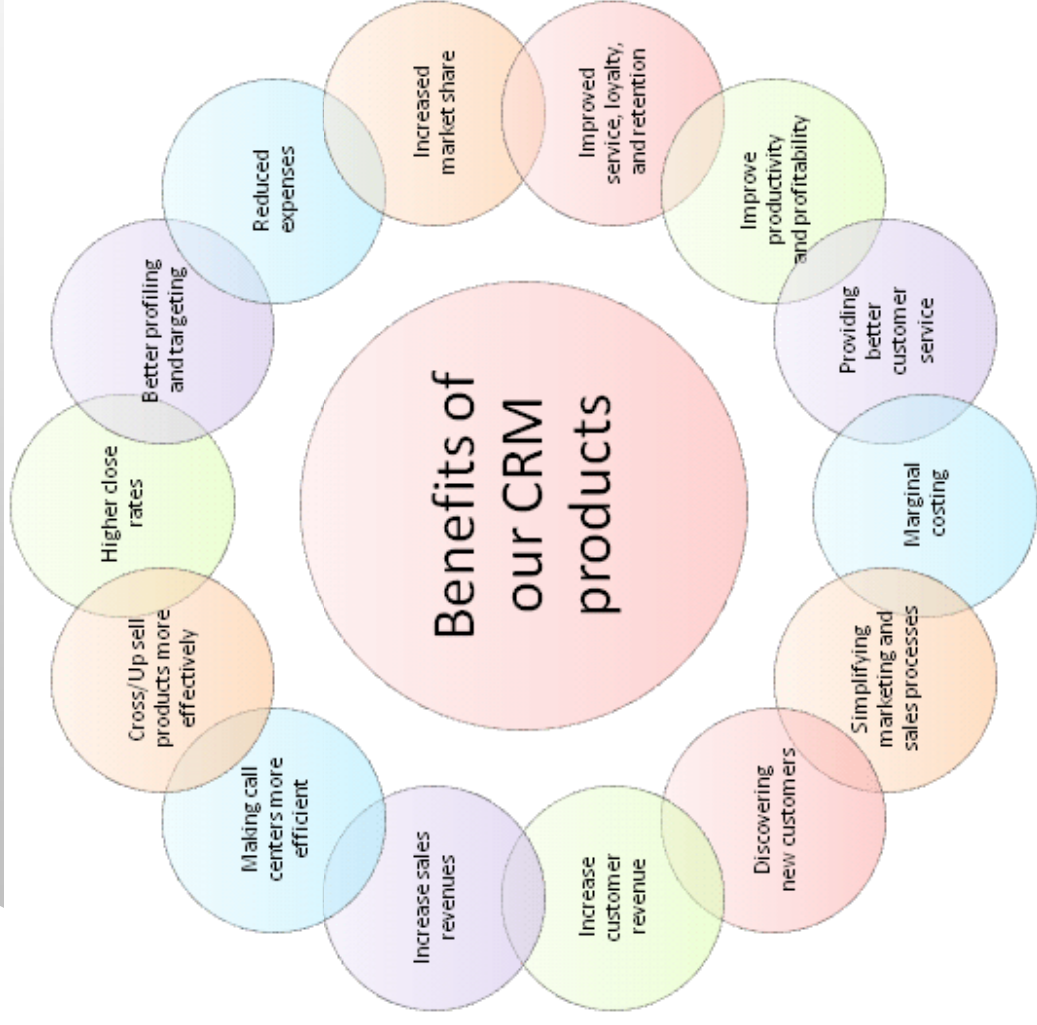


What is CRM?

- ❖ “It is a business strategy to select and manage customers to optimize long-term value.”
- ❖ “It requires a customer-centric business philosophy and culture to support effective marketing, sales, and service processes.”

What Is CRM?





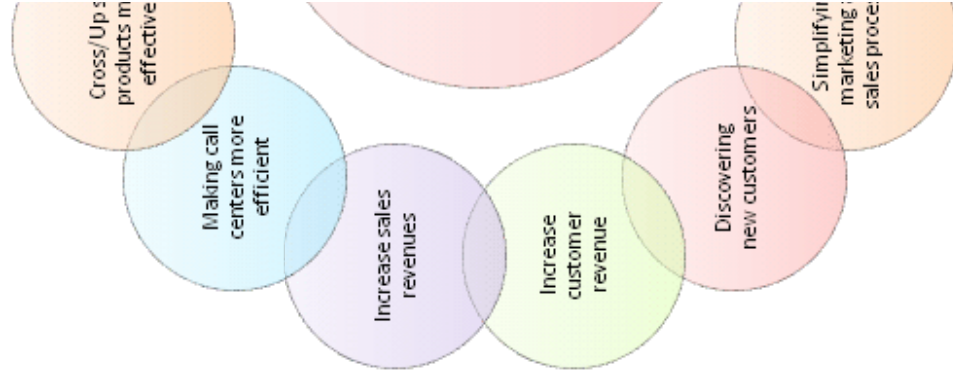
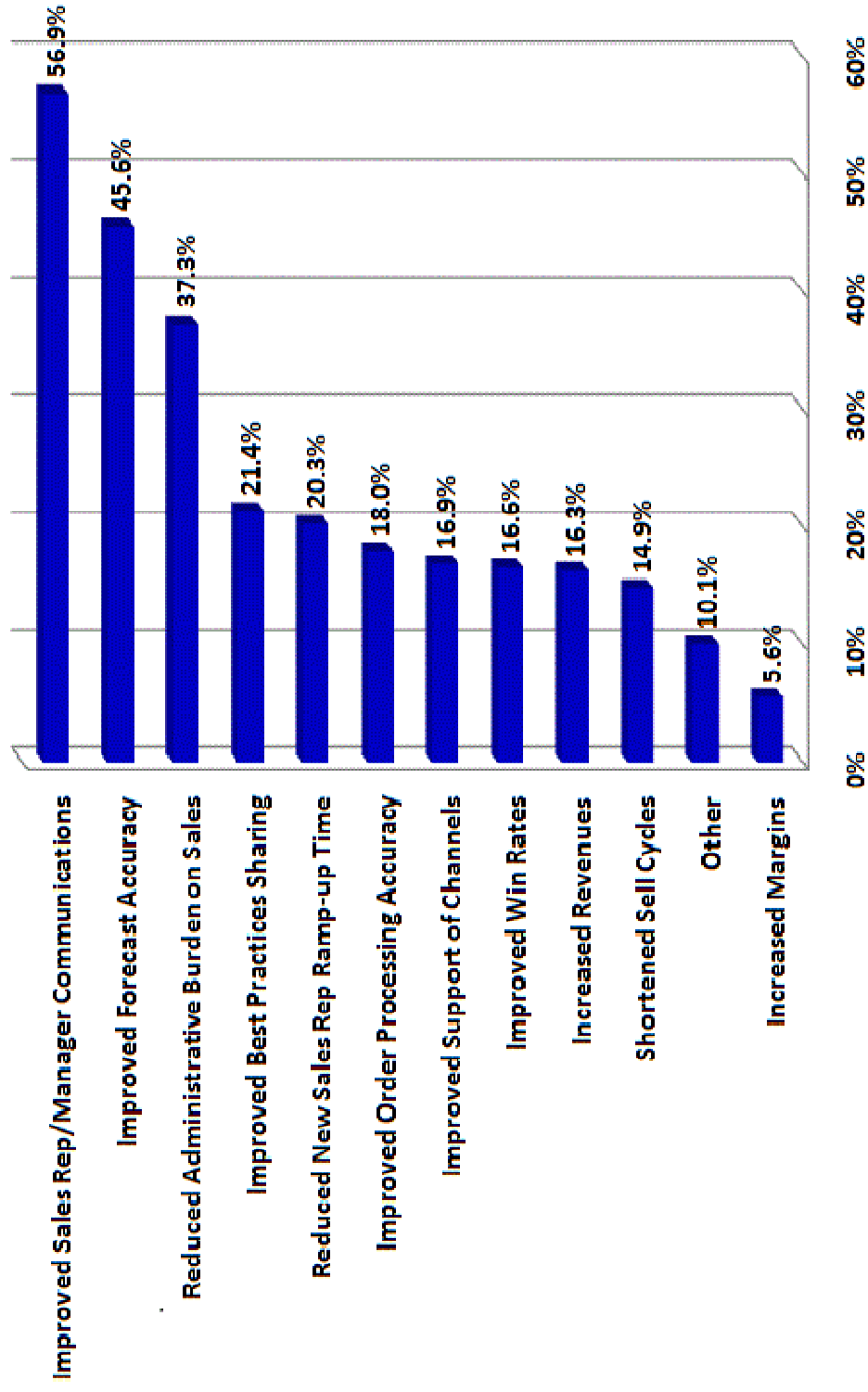
The benefits at a glance...

- ◆ Connect with customers
- ◆ Gain better business insight
- ◆ More productive people and processes
- ◆ Manage organisational growth
- ◆ Manage financial accountability and compliance
- ◆ Reduce IT costs
- ◆ Respond to changing business conditions





Benefits Resulting from CRM Usage





Functional CRM Benefits

Sales

- Integrate Sales Channel
- Shortened Sales Cycles
- Pipeline Management
- Order Configuration

Service

- Information Access
- Call Center Efficiency
- Improved Call Handling
- Call Tracking and Analysis

Marketing

- Campaign Management
- Customer Segmentation
- Targeting
- Channel and Campaign Analysis

Unique CRM Benefits

- Increased Customer Knowledge
- Sales Enablement
- Channel Optimization
- 360 View of Customers
- Demand Management
- Customer Profitability



20 Top CRM

CRM Vendors	Users	Date	Customers	Date	twitter	Linked in	facebook	KLOUT	Date
Salesforce ⁽¹⁾	2,000,000	1/31/2013	100,000	1/31/2013	108,703	91,474	203,127	86	2/19/2013
Sage	4,265,000	1/29/2013	83,000	1/29/2013	8,108	18,504	3,582	52	2/19/2013
SAP	8,000,000	1/28/2013	10,000	1/28/2013	14,165	199,009	6,570	62	2/19/2013
Zoho ⁽²⁾ (3)	5,500,000	12/15/2011	25,000	1/15/2013	10,667	5,580	16,558	77	2/19/2013
Microsoft Dynamics	2,700,000	1/30/2013	36,000	1/30/2013	12,941	30,210	12,977	58	2/19/2013
Oracle ⁽⁴⁾ (5)	4,600,000	6/30/1905	5,000	3/14/2012	10,804	534,498	6,271	53	2/19/2013
Maximizer	1,000,000	2/1/2013	35,000	2/1/2013	1,844	914	290	45	2/19/2013
Apptivo	70,000	1/23/2013	40,000	1/23/2013	8,942	279	3,252	48	2/19/2013
GoldMine	1,000,000	2/12/2013	20,000	2/12/2013	1,085	49	119	41	2/19/2013
SugarCRM ⁽⁶⁾	1,000,000	1/22/2013	7,000	1/22/2013	7,625	3,208	2,890	60	2/19/2013
Infusionsoft	45,000	1/18/2013	13,000	1/18/2013	24,182	1,922	9,581	64	2/19/2013
Commence	80,000	1/31/2013	8,000	1/31/2013	490	38	736	42	2/19/2013
BPMonline	300,000	1/31/2013	5,000	1/31/2013	134	76	62	38	2/19/2013
Salesboom	95,000	2/6/2013	5,800	2/6/2013	24	78	6	17	2/19/2013
Update ⁽⁷⁾	170,000	1/31/2013	1,500	1/31/2013	545	484	731	42	2/19/2013
Prophet	50,000	1/31/2013	15,000	1/31/2013	95	135	61	18	2/19/2013
37signals Highrise ⁽⁸⁾	20,000	5/30/2012	2,000	5/30/2012	89,684	1,795	713	69	2/19/2013
Nimble	49,000	2/13/2013	1,200	2/13/2013	5,536	513	1,524	63	2/19/2013
SalesNexus	20,000	1/31/2013	4,000	1/31/2013	6,291	123	375	41	2/19/2013
OnContact	50,000	2/6/2013	1,000	2/6/2013	842	50	7	27	2/19/2013

Source accessed on Nov 25, 2014: <http://www.capterra.com/customer-relationship-management-software/#infographic>







Social CRM





What is Social CRM?

**CRM was about managing
the customer**

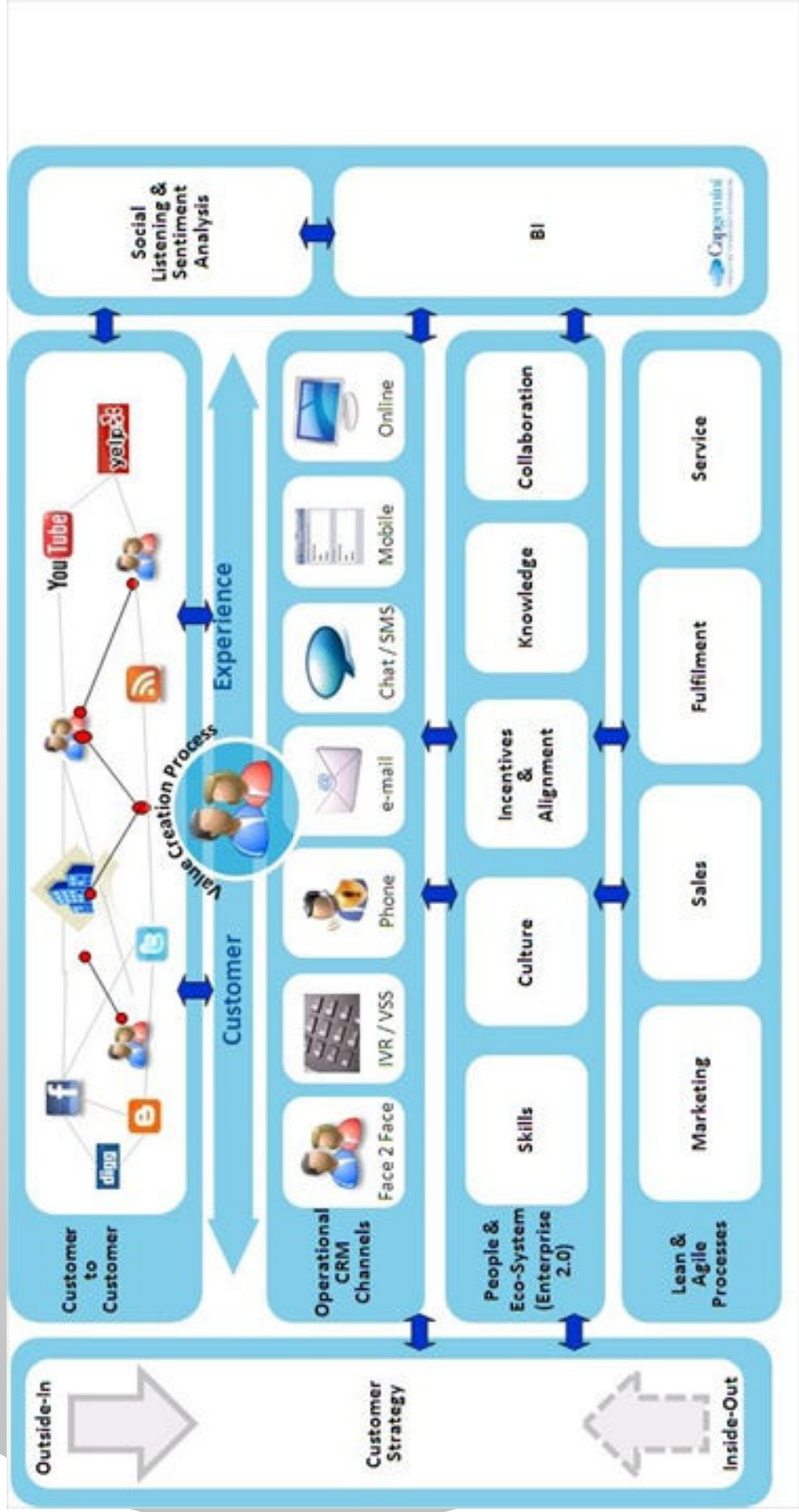
**Social CRM is about engaging
with the customer**

*“Social CRM is a business strategy designed to engage the customer in a collaborative conversation in order to provide mutually beneficial value in a trusted & transparent business environment.
It's the company's response to the customer's ownership of the conversation.”*



SCRM in six questions







What Social CRM sees

Inquiries
Purchases
Returns
Invoices
Complaints
Phone Calls
Emails
Transaction history

ORGANIZATION





social crm components

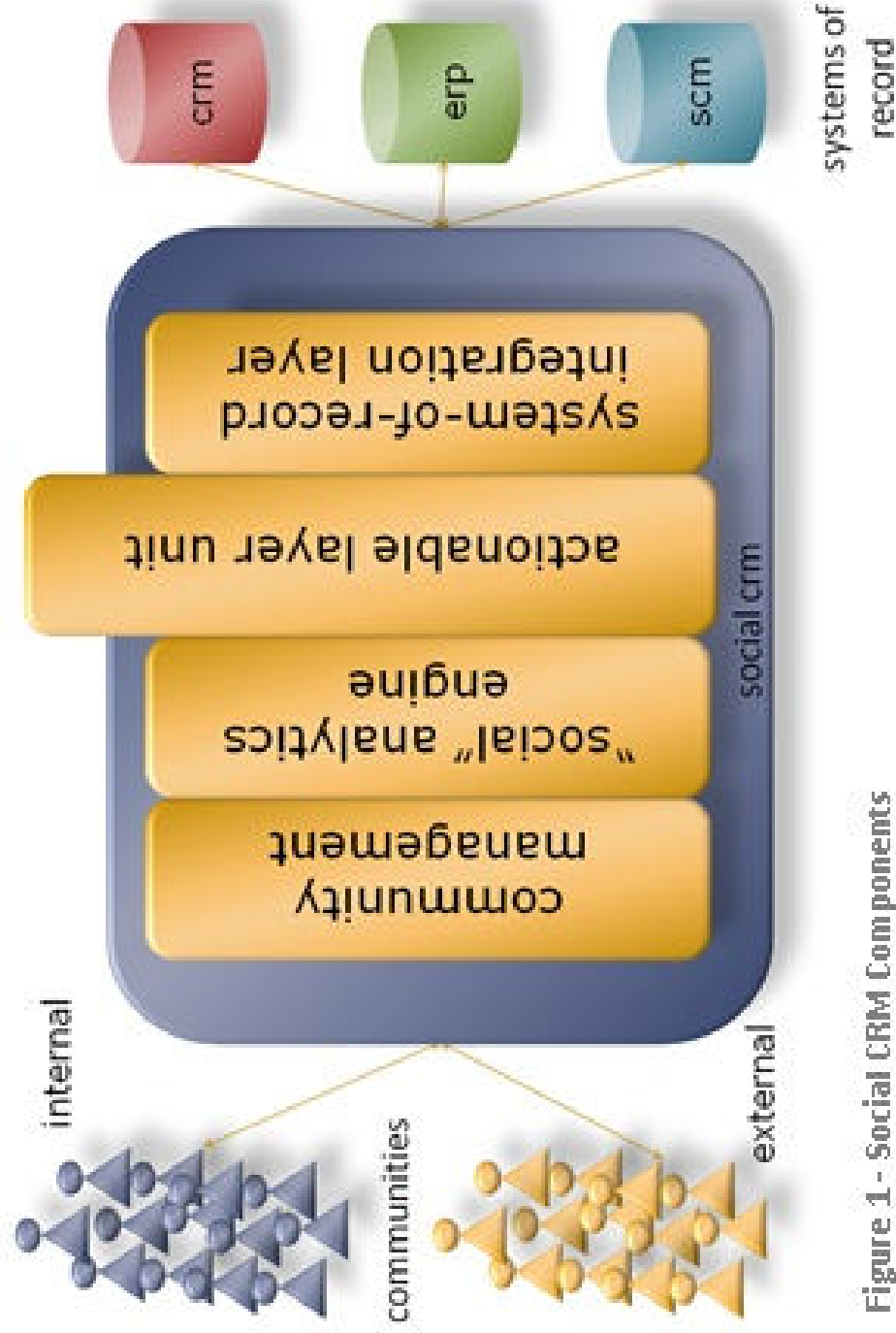
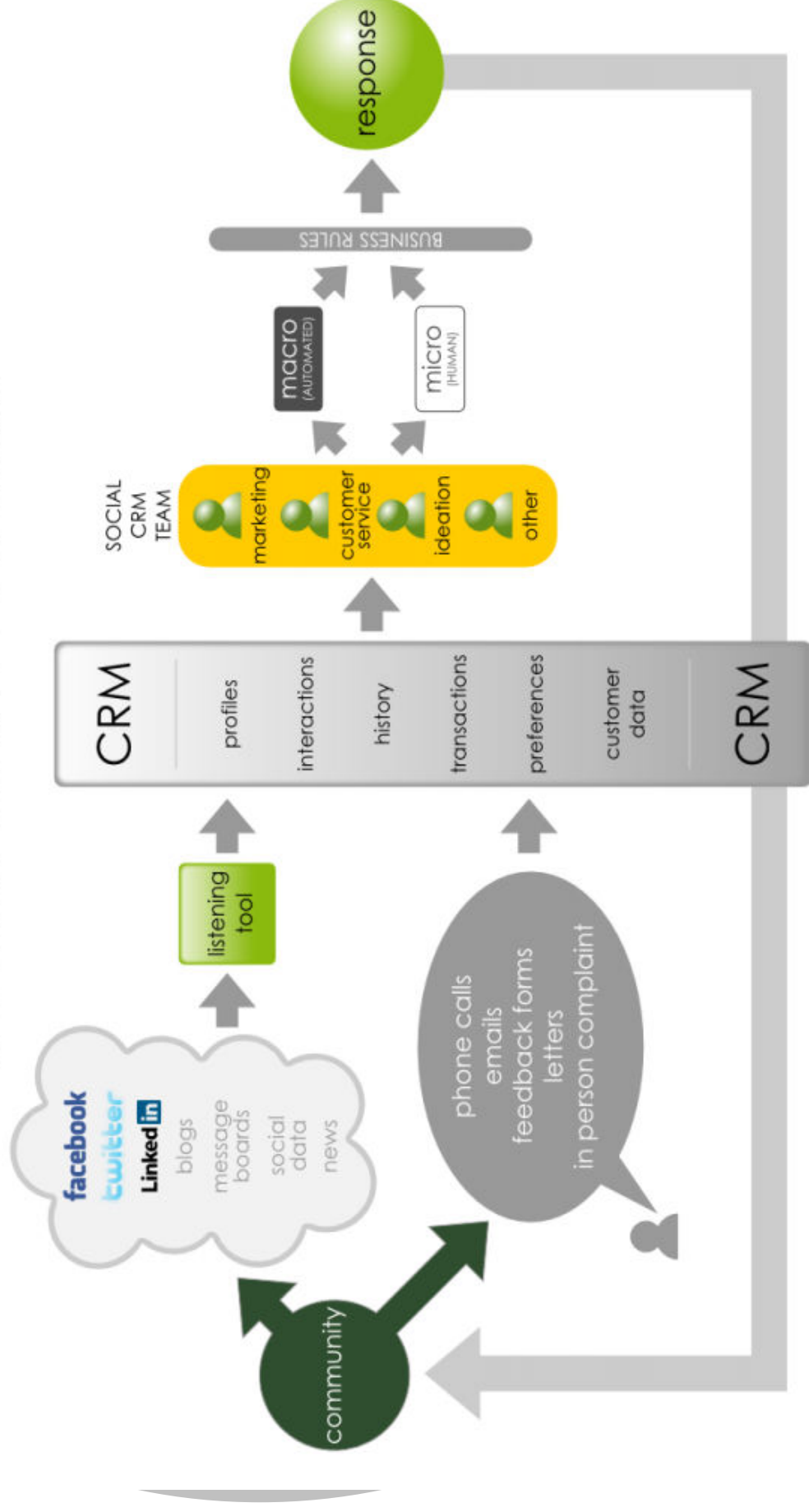


Figure 1 - Social CRM Components



Social CRM Process





SCRM Traditional Analytics Tools

Analytical technology category	Key capabilities	Example marketing questions answered	Example vendors
Business intelligence	<ul style="list-style-type: none"> • Reports • Dashboards • Alerts • Visualization 	<ul style="list-style-type: none"> • Which products drive the highest revenues? • Which months account for our highest sales volume? • How many sales reps met their targets? 	<ul style="list-style-type: none"> • IBM Cognos • SAP BusinessObjects • SAS • Unica
Predictive analytics	<ul style="list-style-type: none"> • Data mining • Statistical analysis • Text mining • Constraint-based optimization 	<ul style="list-style-type: none"> • Who is likely to respond to our products? • Which customers are most likely to churn? • Which customers are likely to upgrade to the next level? 	<ul style="list-style-type: none"> • KXEN • Portrait Software • Oracle • SAS • SPSS • Unica
Online analytics	<ul style="list-style-type: none"> • Web analytics • Social media monitoring • Behavior targeting • Search analytics advertising • Performance management 	<ul style="list-style-type: none"> • How many visitors visited our top product pages? • What are the highest-rated videos online? • How many online posts express negative sentiment about our product? • How should marketers balance their budget across organic and paid search? • Who are the key influencers for our brand? 	<ul style="list-style-type: none"> • Web analytics: Coremetrics, Omniture, Unica, Webtrends • Video analytics: Visible Measures • Listening platforms: Evolve24, Networked Insights, Radian6, Techrigy, Visible Technologies • Search analytics: Covario, Marin Software
Marketing analytics	<ul style="list-style-type: none"> • Optimization • Forecasting • Simulation • Econometric modeling 	<ul style="list-style-type: none"> • Which media channels are most effective in driving sales volume? • How would sales be affected if we dialed our TV med a spend down? • Which media channels deliver the most profitable revenues? 	<ul style="list-style-type: none"> • Hudson River Group • M-Factor • Marketing Management Analytics (MMA) • SAS