

MKTG308 ~ Customer Relationship Management

Table of Contents

[1.1] Customer Relationship Management	Error! Bookmark not defined.
Who is the Boss.....	Error! Bookmark not defined.
Main Definition.....	Error! Bookmark not defined.
[1.2] Why a Relationship Focus?.....	Error! Bookmark not defined.
Benefits of CRM	Error! Bookmark not defined.
[1.3] 4 Components of CRM.....	Error! Bookmark not defined.
Overview Model of CRM Types.....	Error! Bookmark not defined.
Payne's 5 Process Model	Error! Bookmark not defined.
[2.1] Different Types of Relationship.....	Error! Bookmark not defined.
Theories of Relationships.....	Error! Bookmark not defined.
Customers' Desire for Relationships.....	Error! Bookmark not defined.
[2.2] Attributes of Relationships.....	Error! Bookmark not defined.
Trust.....	Error! Bookmark not defined.
Commitment	Error! Bookmark not defined.
[2.3] Organisational Relationship Theory	Error! Bookmark not defined.
School of Thought	Error! Bookmark not defined.
[3.1] Understanding your Customers.....	Error! Bookmark not defined.
Purchase Behaviour Model.....	Error! Bookmark not defined.
Maslow's Hierarchy of Needs	Error! Bookmark not defined.
Perception Formation.....	Error! Bookmark not defined.
[3.2] Value in CRM.....	4
Value from Products/Services	4
Other Sources/Classification of Value	4
[3.3] Questions in Developing the CVP	5
Why are CVP's Important?.....	5
[3.4] Value & Customer Experiences.....	Error! Bookmark not defined.
Customer Experience Concepts	Error! Bookmark not defined.
Journey Mapping Example	Error! Bookmark not defined.
[4.1] Roles of CS in CRM.....	Error! Bookmark not defined.
Theories of CS.....	Error! Bookmark not defined.
Herzberg's Two Factor Associations.....	Error! Bookmark not defined.
Kano Alternative CS Model.....	Error! Bookmark not defined.
[4.2] Is Measuring CS Enough?.....	Error! Bookmark not defined.
What is Customer Loyalty (CL)?.....	Error! Bookmark not defined.
Different Loyalty State.....	Error! Bookmark not defined.
Linking CL & CRM.....	Error! Bookmark not defined.
[4.3] Segmentation.....	Error! Bookmark not defined.
Why Segment?.....	Error! Bookmark not defined.

How Do We Segment?.....	Error! Bookmark not defined.
[5.1] Customer Profitability.....	Error! Bookmark not defined.
Activity Based Costing (ABC)	Error! Bookmark not defined.
Claims Processing Department.....	Error! Bookmark not defined.
How ABC Helps CPM and CRM.....	Error! Bookmark not defined.
[5.2] Customer Life Time Value	Error! Bookmark not defined.
What You Need to Compute LTV	Error! Bookmark not defined.
LTV Formula.....	Error! Bookmark not defined.
[5.3] Customer Portfolio Management	Error! Bookmark not defined.
Strategically Significant Customers.....	Error! Bookmark not defined.
Relationships into CPM	Error! Bookmark not defined.
Fiocca's Model	Error! Bookmark not defined.
Turnbull & Zolkiewski's 3D Model.....	Error! Bookmark not defined.
[5.4] Customer Relationship Options	Error! Bookmark not defined.
Acquiring New Customers	Error! Bookmark not defined.
B2B Sources of Leads – New Customers.....	Error! Bookmark not defined.
B2C Acquisition Methods	Error! Bookmark not defined.
[6.0] NO LECTURE WEEK 6.....	Error! Bookmark not defined.
[7.1] Customer Retention vs. Value Retention.....	Error! Bookmark not defined.
Retention Strategies	Error! Bookmark not defined.
Positive Retention Measures	Error! Bookmark not defined.
Indicators of Intention to Churn/Defect.....	Error! Bookmark not defined.
[7.2] Customer Development.....	Error! Bookmark not defined.
Examples of Customer Development (Harley).....	Error! Bookmark not defined.
CRM Technologies	Error! Bookmark not defined.
[7.3] Whale Curve.....	Error! Bookmark not defined.
Strategies for Terminating Customers	Error! Bookmark not defined.
[8.1] Overall Business Strategies	Error! Bookmark not defined.
Generic Strategies	Error! Bookmark not defined.
Customer Centric Firms.....	Error! Bookmark not defined.
Customer Intimacy.....	Error! Bookmark not defined.
[8.2] Customer-Centric vs Product-Centric Mindset.....	Error! Bookmark not defined.
Organisational Culture	Error! Bookmark not defined.
General Organisational Structures.....	Error! Bookmark not defined.
Conventional Organisational Structures	Error! Bookmark not defined.
[8.3] Key Account Management (KAM)	Error! Bookmark not defined.
Drivers of KAM.....	Error! Bookmark not defined.
Bow-Tie Structure for Early-KAM.....	Error! Bookmark not defined.
Diamond for Partnership-KAM.....	Error! Bookmark not defined.
Virtual Organisation for Synergistic-KAM.....	Error! Bookmark not defined.
[9.1] The Organisational Business Context.....	Error! Bookmark not defined.
Networks and CRM	Error! Bookmark not defined.

Business Networks.....	Error! Bookmark not defined.
[9.2] Value Chain – Suppliers/Partners.....	Error! Bookmark not defined.
Forms of Co-Operation with Suppliers.....	Error! Bookmark not defined.
Partners in the SCOPE Model of CRM	Error! Bookmark not defined.
[9.3] Owner/Investor Relationships	Error! Bookmark not defined.
Employees and CRM	Error! Bookmark not defined.
Empowerment.....	Error! Bookmark not defined.

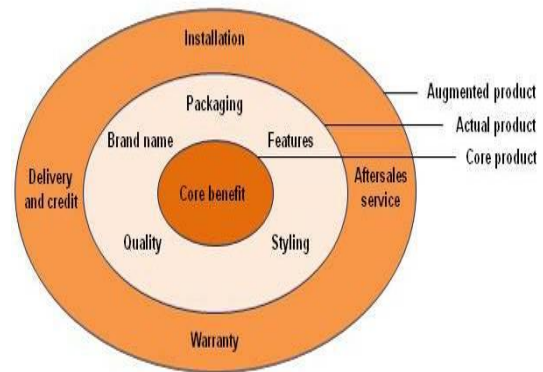
LECTURE 3.2: VALUE

[3.2] Value in CRM

- CRM seeks to create and deliver value to targeted customers at a sustainable profit
- Proper CRM requires a comprehensive understanding of value for their customers
- However, not all customers define value in the same way nor perceive value similarly due to differences in taste, age, gender, etc.
- Managers need to understand components of customer value and to understand there are differences in these components for different customers/segments

Value from Products/Services

- Value from products are related to the benefits or more correctly the expectations of benefits
- There are different levels of products or the customer value hierarchy
 - **Core**
 - **Actual**
 - **Augmented**
- Typically, all competitors in a market will offer core benefit value that is similar, and it is in the actual and augmented product levels where organisations compete to deliver different value to customers
- Similar for services although services present consistency challenges compared to products due to:
 - Intangibility
 - Inseparability
 - Co-creation
 - Heterogeneity
 - Perishability



Other Sources/Classification of Value

- Other Sources
 - **Processes**
 - Direct or indirect (invoicing, returns, complaint management)
 - **People**
 - Trained staff, experience, knowledge, friendly
 - **Physical Evidence**
 - Tangible facilities, equipment, materials
 - **Communication**
 - Direct personalised messages, interactivity
 - **Channels**

- Modes of delivery, speed
- Classifying Value
 - **Functional**
 - Fitness for purpose, performance (in use)
 - **Economic**
 - Time, money and effort
 - **Social**
 - Reputation, recognition and relationship
 - **Hedonic**
 - Liking, pleasure and aesthetics
 - **Epistemic**
 - Information, knowledge and novelty
 - **Altruistic**
 - Ethics, society and environment

LECTURE 3.3: CUSTOMER VALUE PROPOSITION

- Customer Value Proposition
 - Clear and specific statement of the value that we propose to offer our customers
- This comes from an understanding of the sources of value for our customers and the ability of the organisation to create and deliver value
- The value proposition describes why customers should select us over our competitors
- There will be a central value proposition for an organisation
- There may be different versions of the value proposition for different segments and accounts based on different needs and priorities of different customers

[3.3] Questions in Developing the CVP

- In order to develop a CVP the organisation needs to ask itself the following questions
 - What does a customer (or segment) need?
 - What are the sources of value for the customer?
 - What can we offer to deliver the value benefits?
 - What differentiates us from our competitors?

Why are CVP's Important?

- For the Organisation
 - Forces organisation to consider customer's needs, sources of value
 - I.e. Become customer centric
 - Creates strong and clear differentiation from competitors
 - Aligns organisational forces
 - Effective resources deployment