

The CRM JUNGLE

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Agenda

Part One

- Start - with a “case study”
- Where do YOU want to go?
- How will you get there?

Part Two

4. CRM - from a strategic perspective
5. Bringing it all together





The “Case Study”

The Marketing Strategy Conundrum

“If you don't know where you are going, any road will take you there.”

Lewis Carroll
(1832 - 1898)

English author & recreational mathematician





**Where do YOU
want to go?**

Objectives

Business/Corporate objectives specify the aim or the goal to which all the resources of the organisation are directed. The key issues are:

- What do we want/need to achieve?
- How is it measured?
- By when?
- How will we know when it is achieved?

Marketing objectives translate the business/corporate objectives into market and customer terms and may be expressed more precisely as:

- Market/Segment Position
- Market/Segment Share
- Market/Segment Entering/Harvesting/Exiting
- Market/Segment Penetration/Development
- Product/Service Development/NPD
- Diversification
- Growth
- Innovation
- Productivity
- Profitability
- Sales Revenue
- Cash flow
- Public Responsibility/CSR/Environmental
- Other measures

Marketing Objectives work when they become 'KPI's

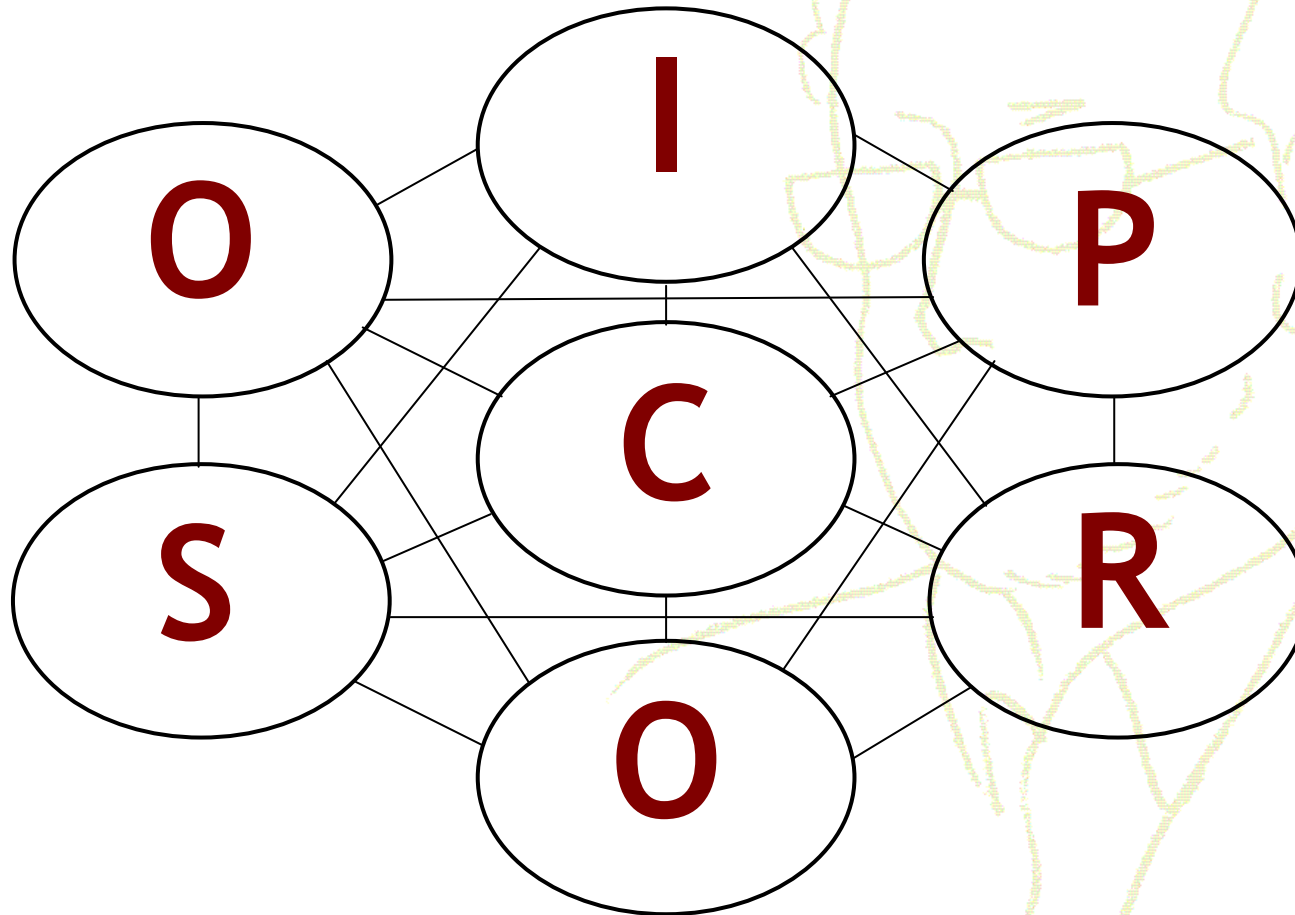
	Marketing Objectives	Key Performance Indicator	Detail
1			
2			
3			
4			
5			
6			



How will you get there?

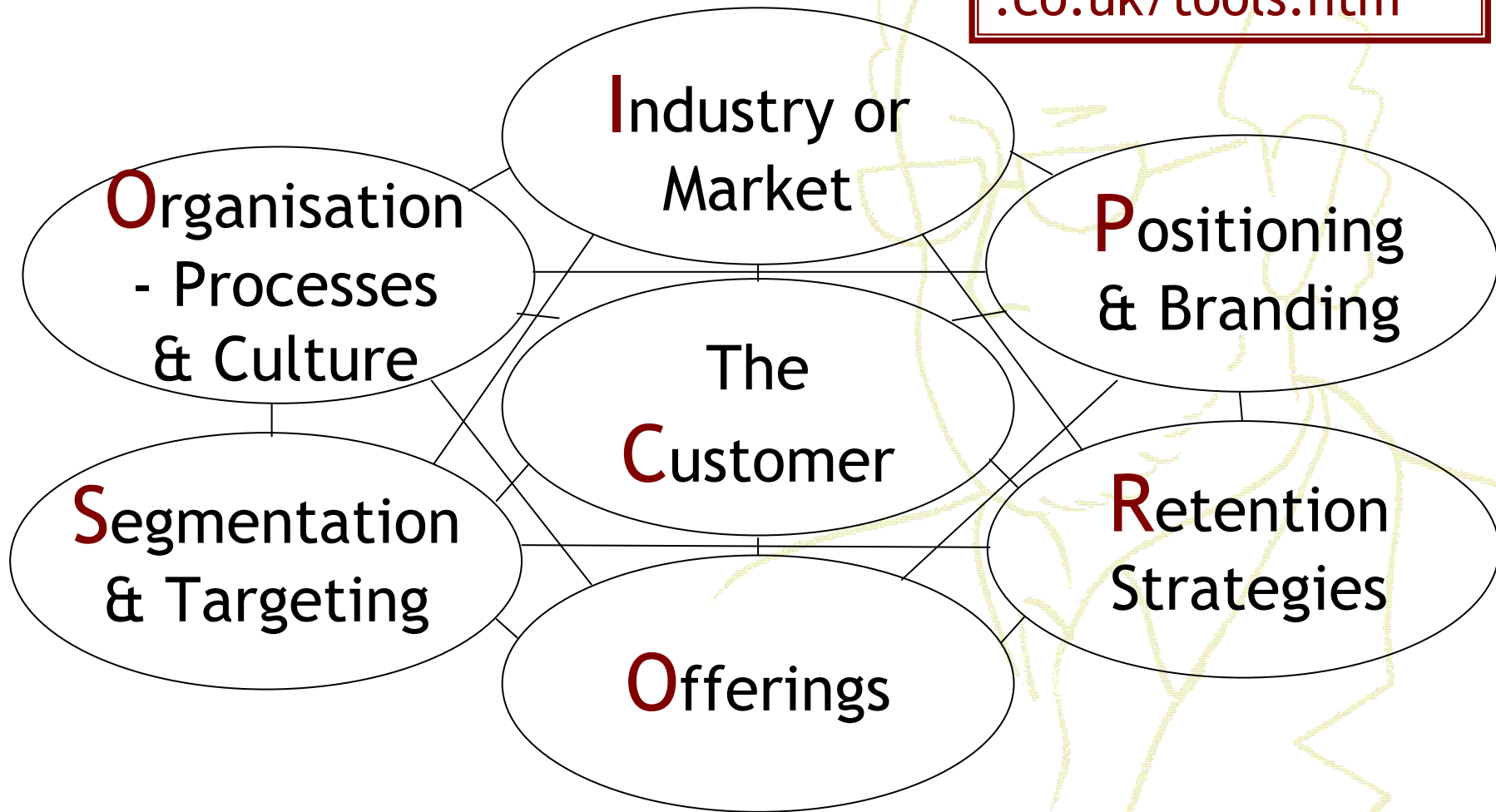
SCORPIO

The SCORPIO model drives market strategy

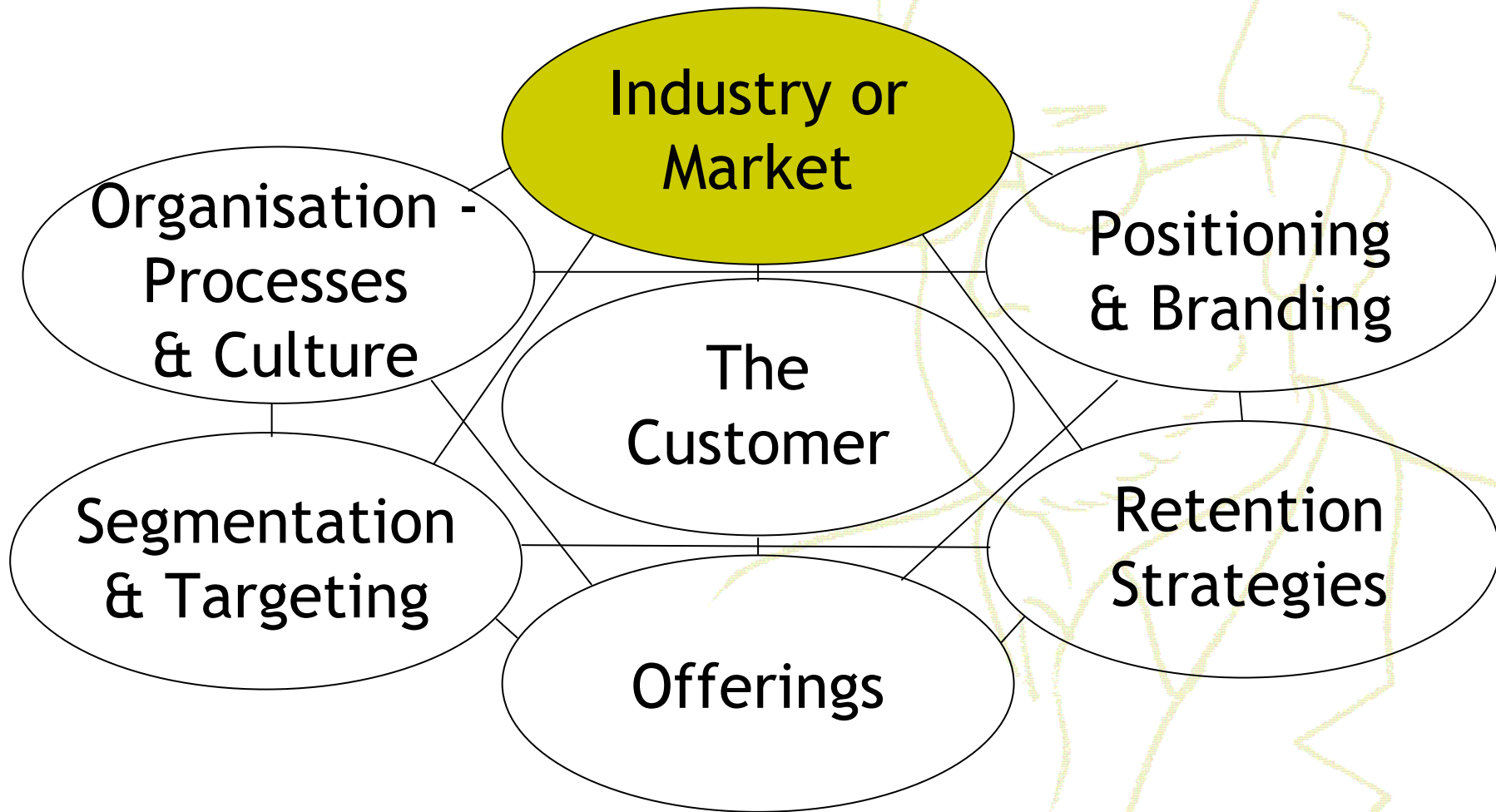


Scorpio market strategy

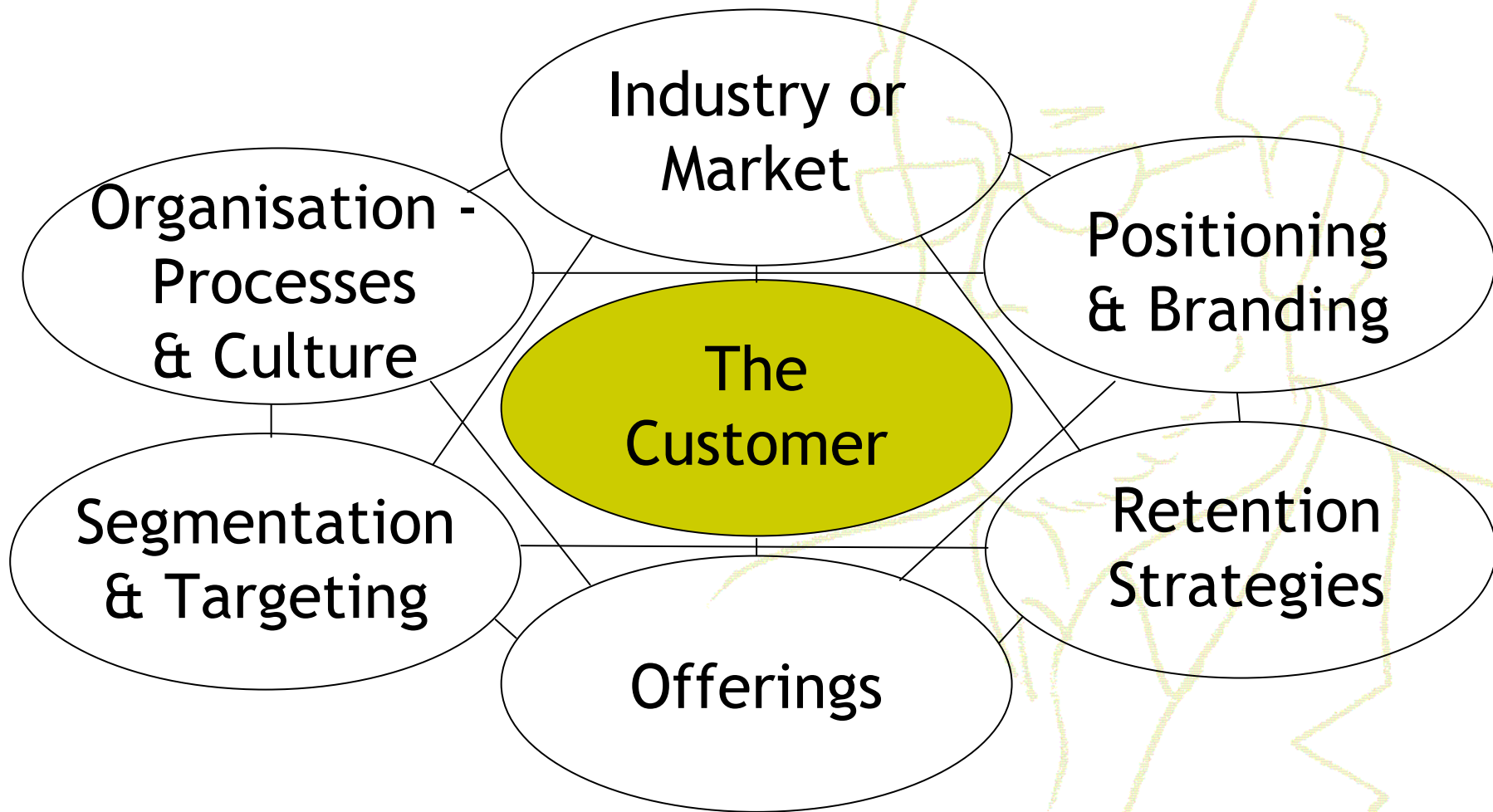
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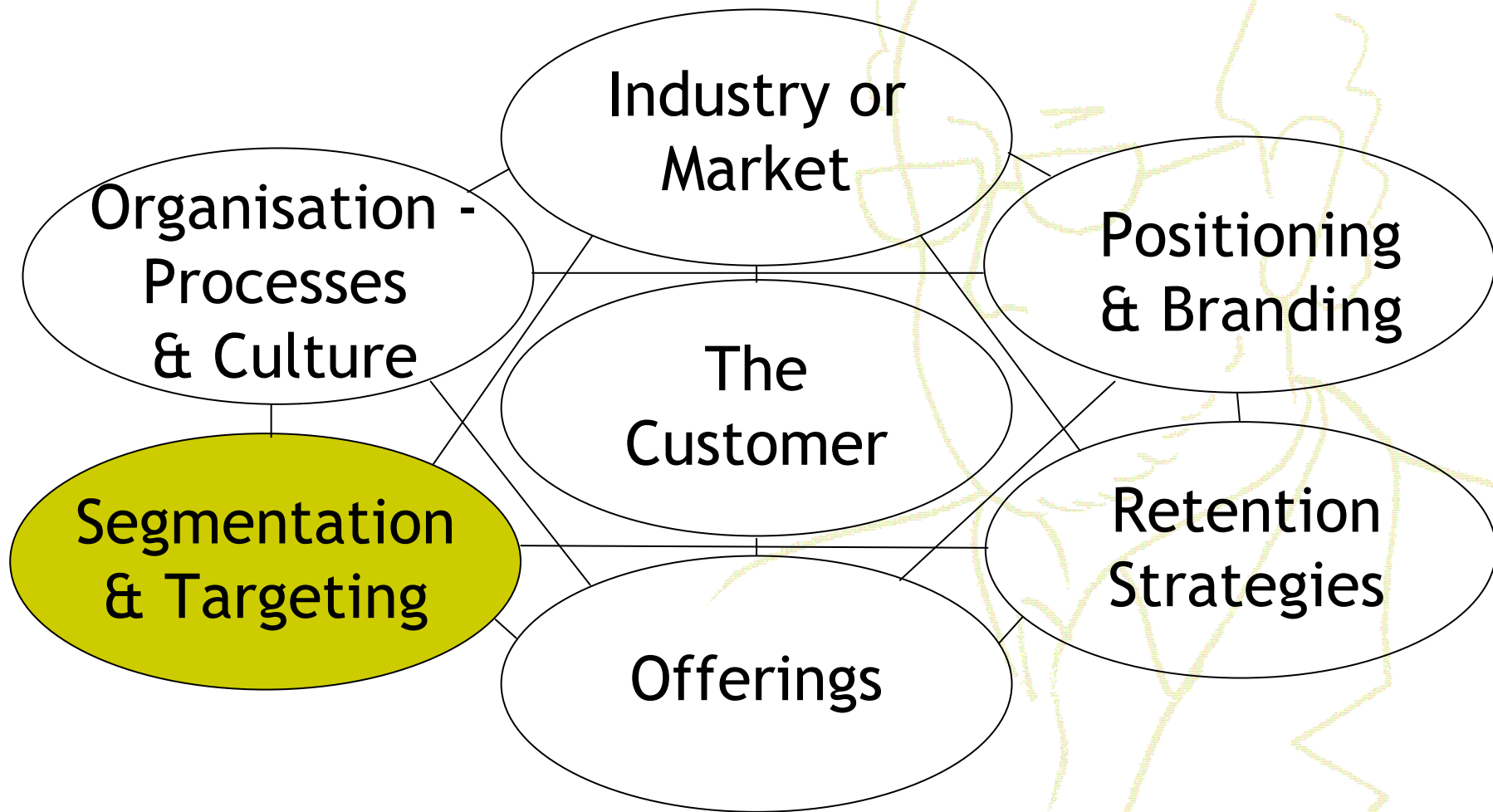
Scorpio market strategy



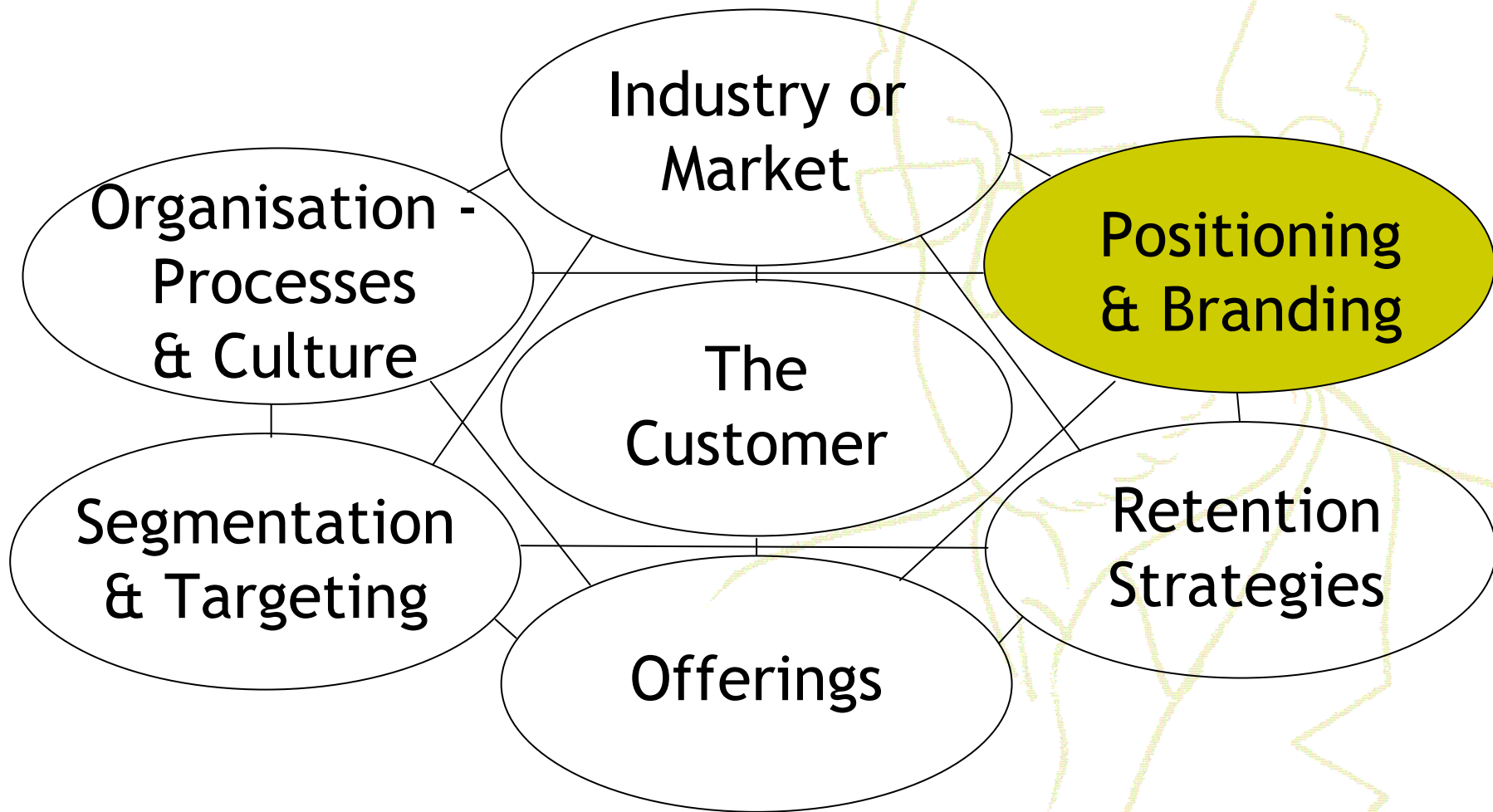
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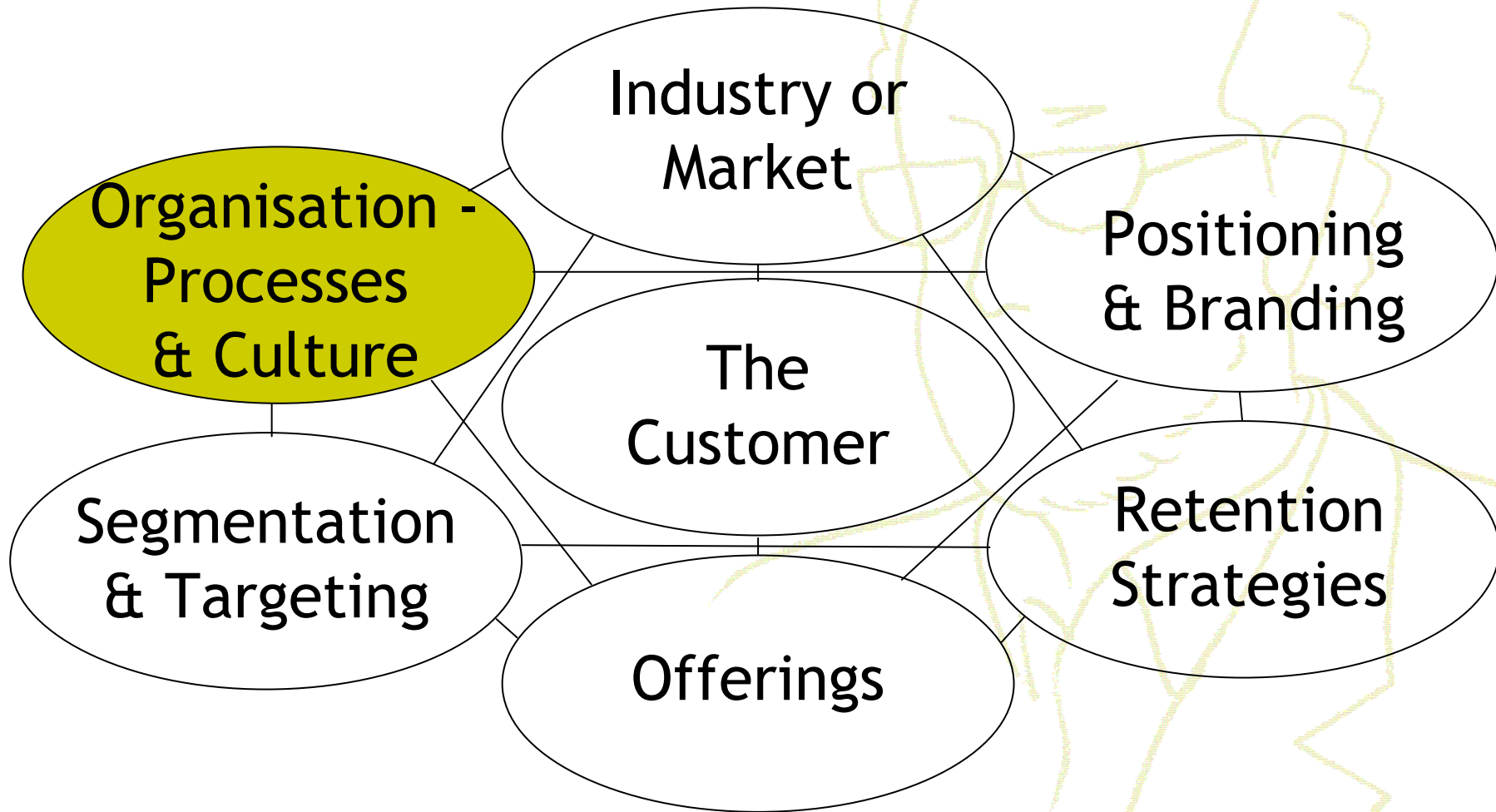
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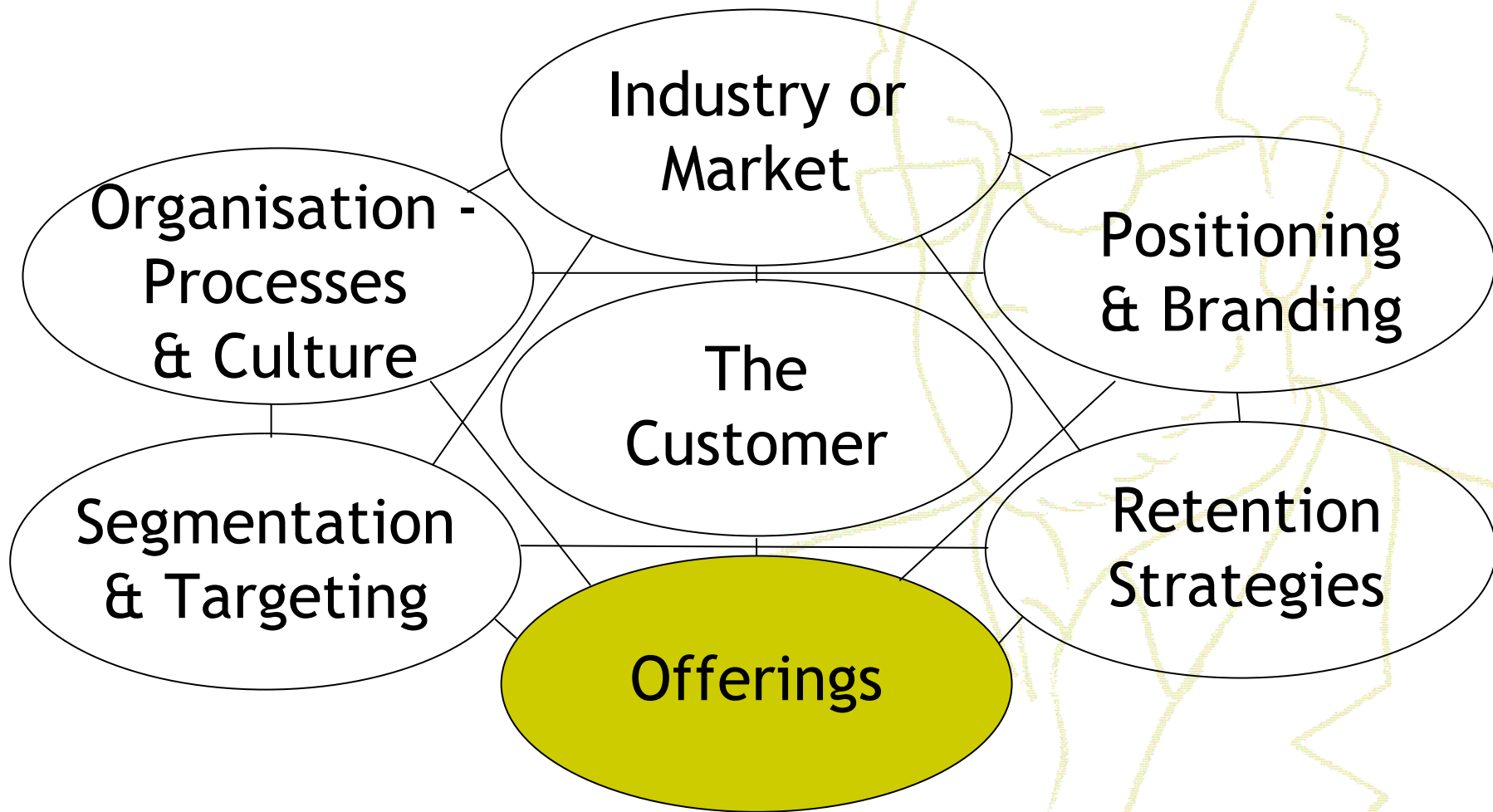
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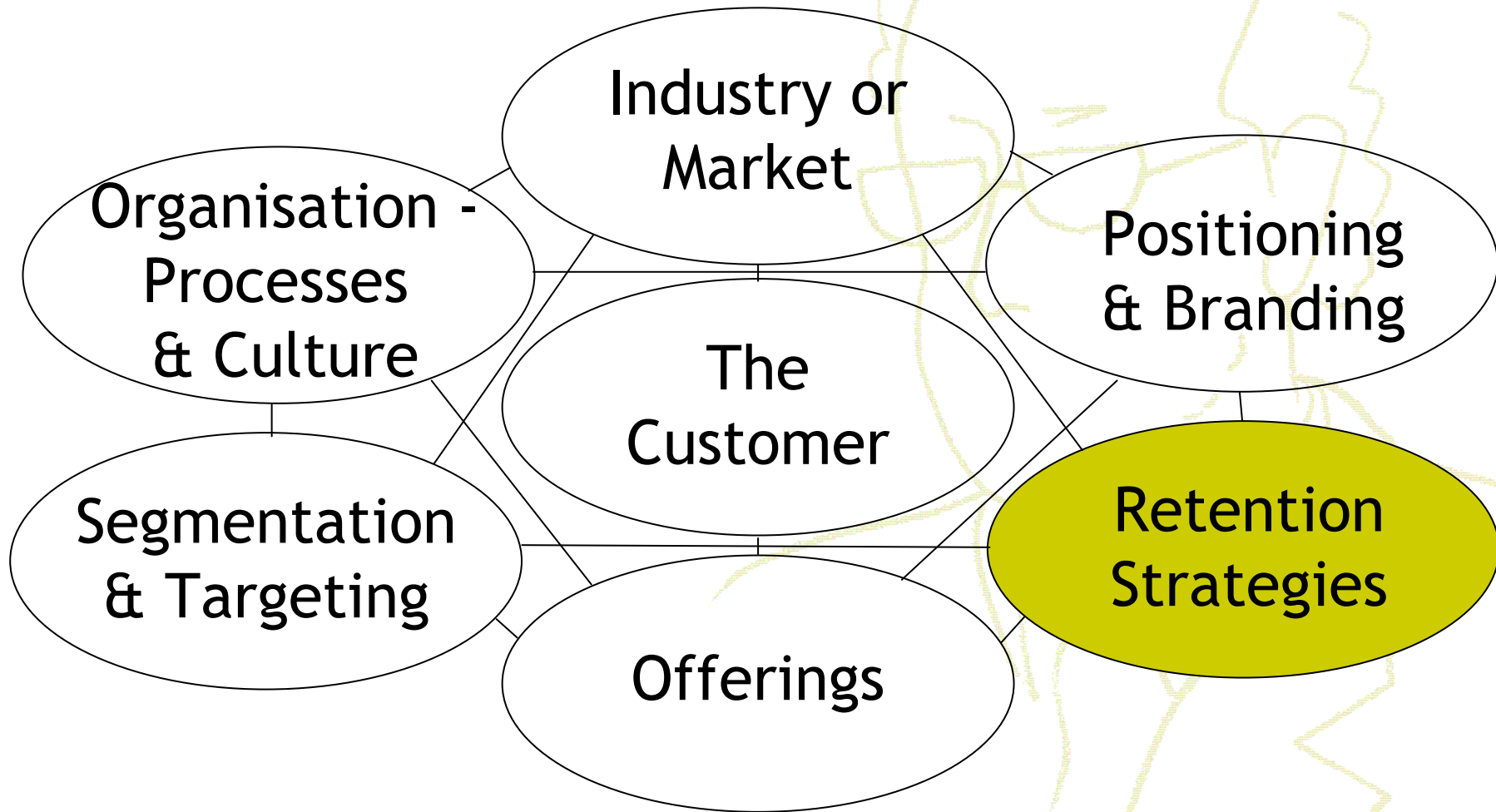
Scorpio market strategy



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The CRM JUNGLE

- part two -

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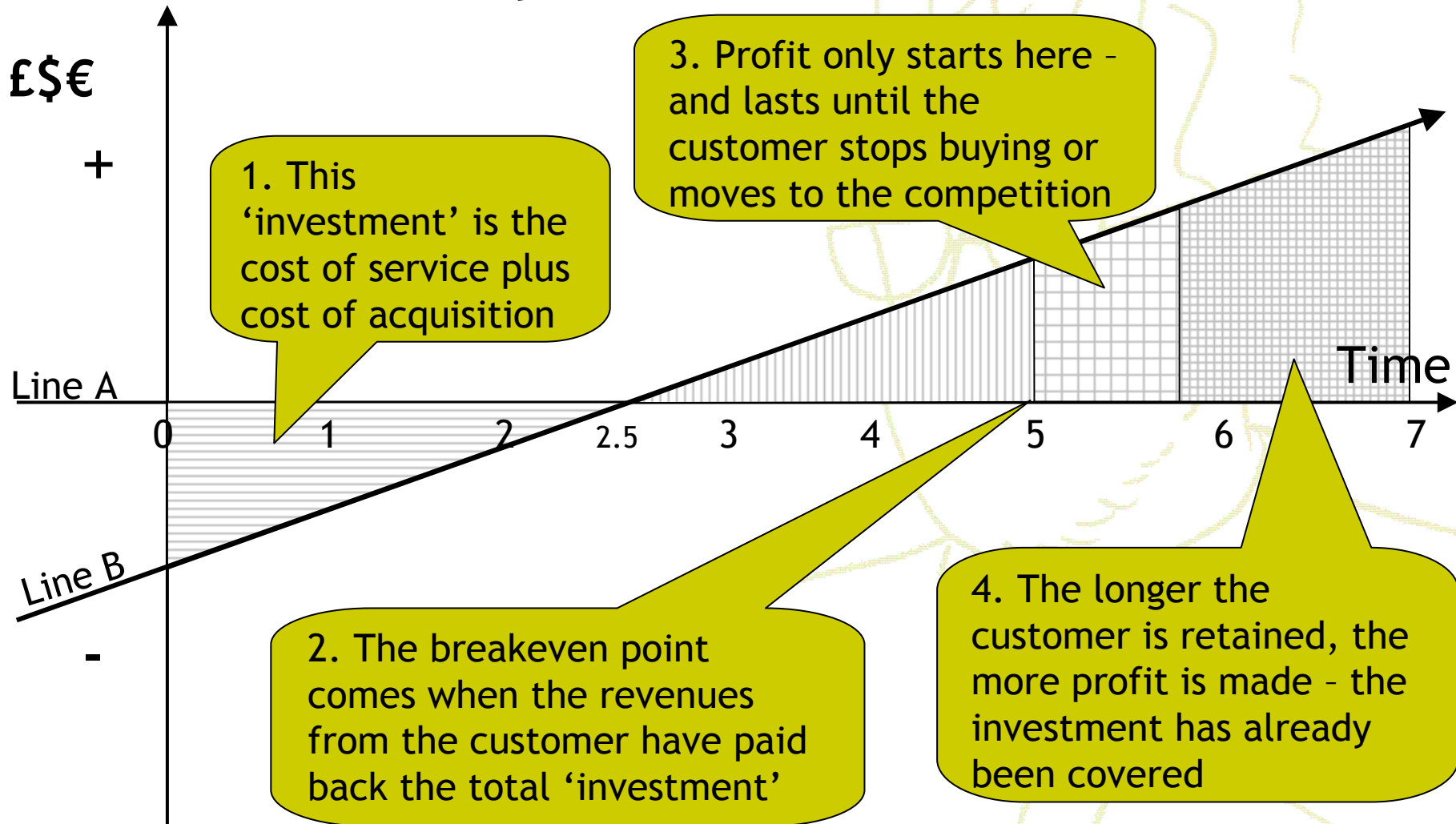
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CRM - from a strategic perspective?

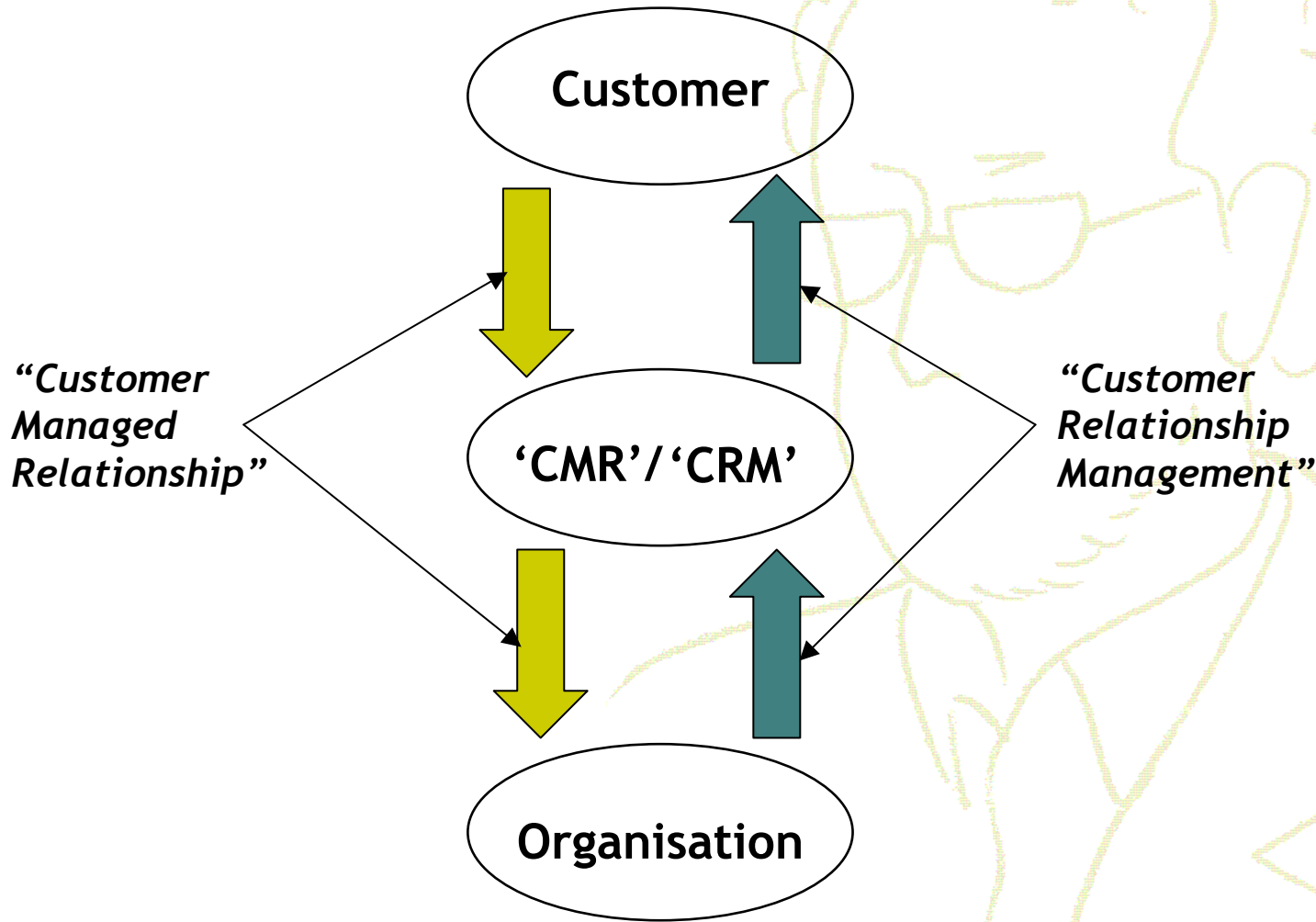
Retention - Why bother?



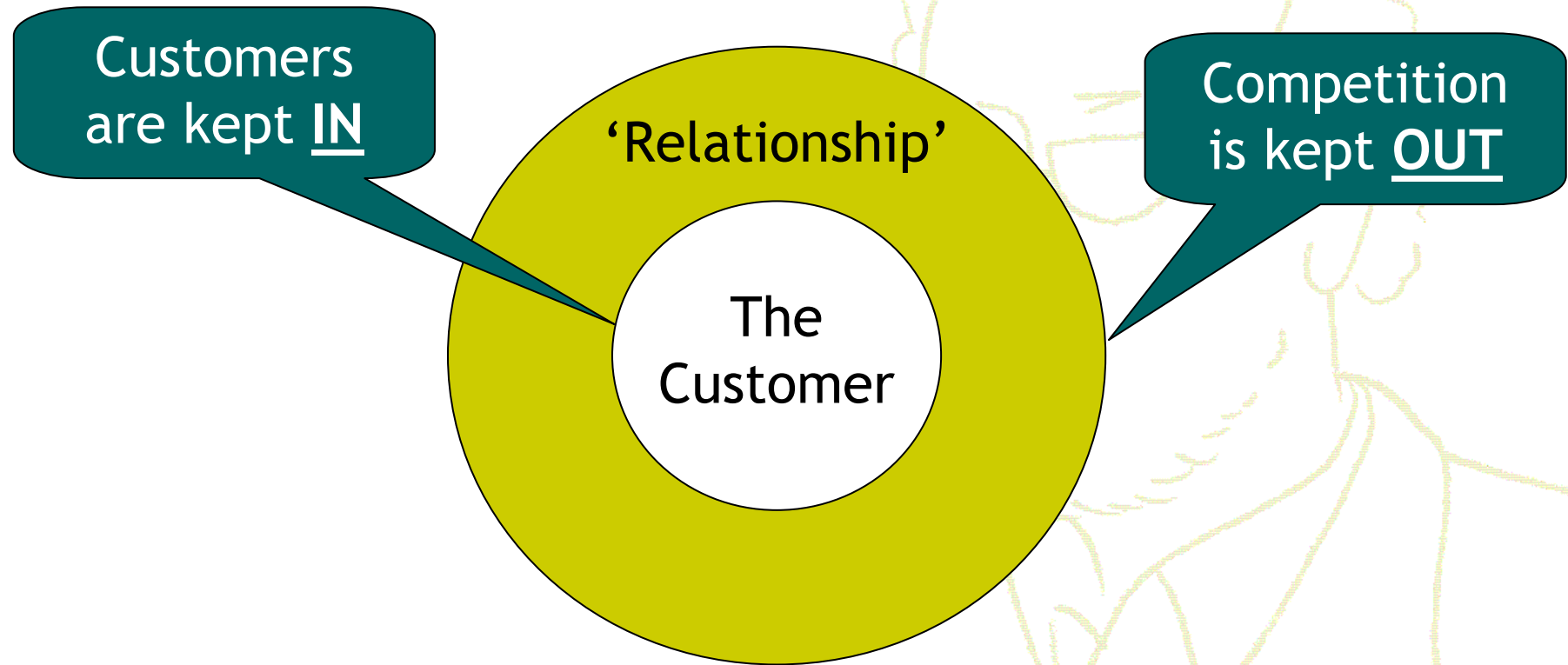
Calculating the opportunity

Total expenditure on new customer acquisition		#1
Total number of new customers acquired		#2
What is the cost per new customer acquired		#3 ($=\#1 \div \#2$)
How long does an average customer stay with us (time periods)		#4
Average net income* received per customer per time period		#5
Number of (time periods) before acquisition cost repaid (break-even)		#6 ($=\#3 \div \#5$)
How many customers do we lose per (time period)		#7
What is the financial cost per (time period) of all lost customers		#8 ($=\#7 \times \#5$)
How much additional revenue would be achieved by 5% reduction in lost customers		#9 ($=\#8 \div 20$)
* <i>Net of direct costs</i>		

Real Relationships must be a two-way bridge



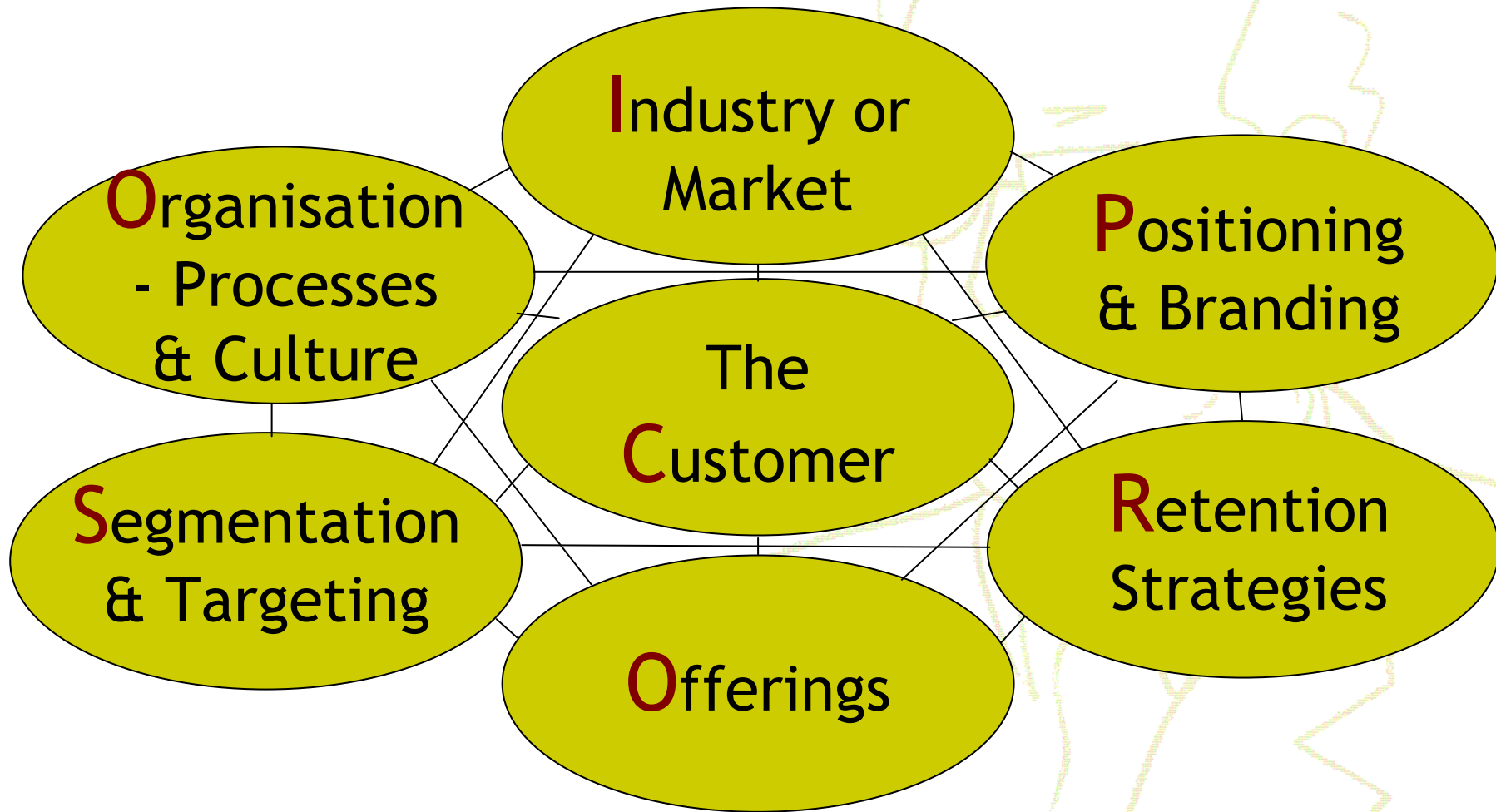
Relationship (CRM/CMR) gives superior profitability:



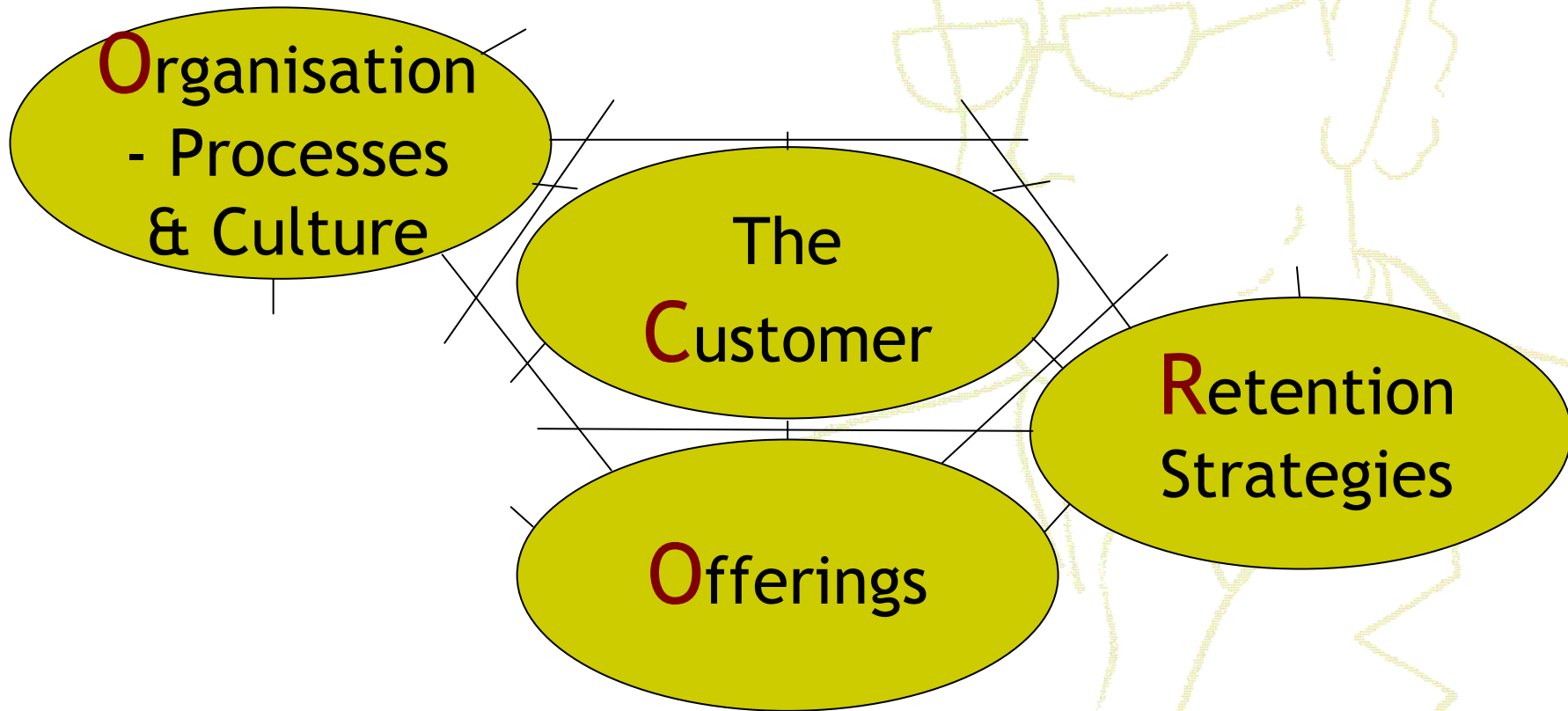


Can we pull it
all together?

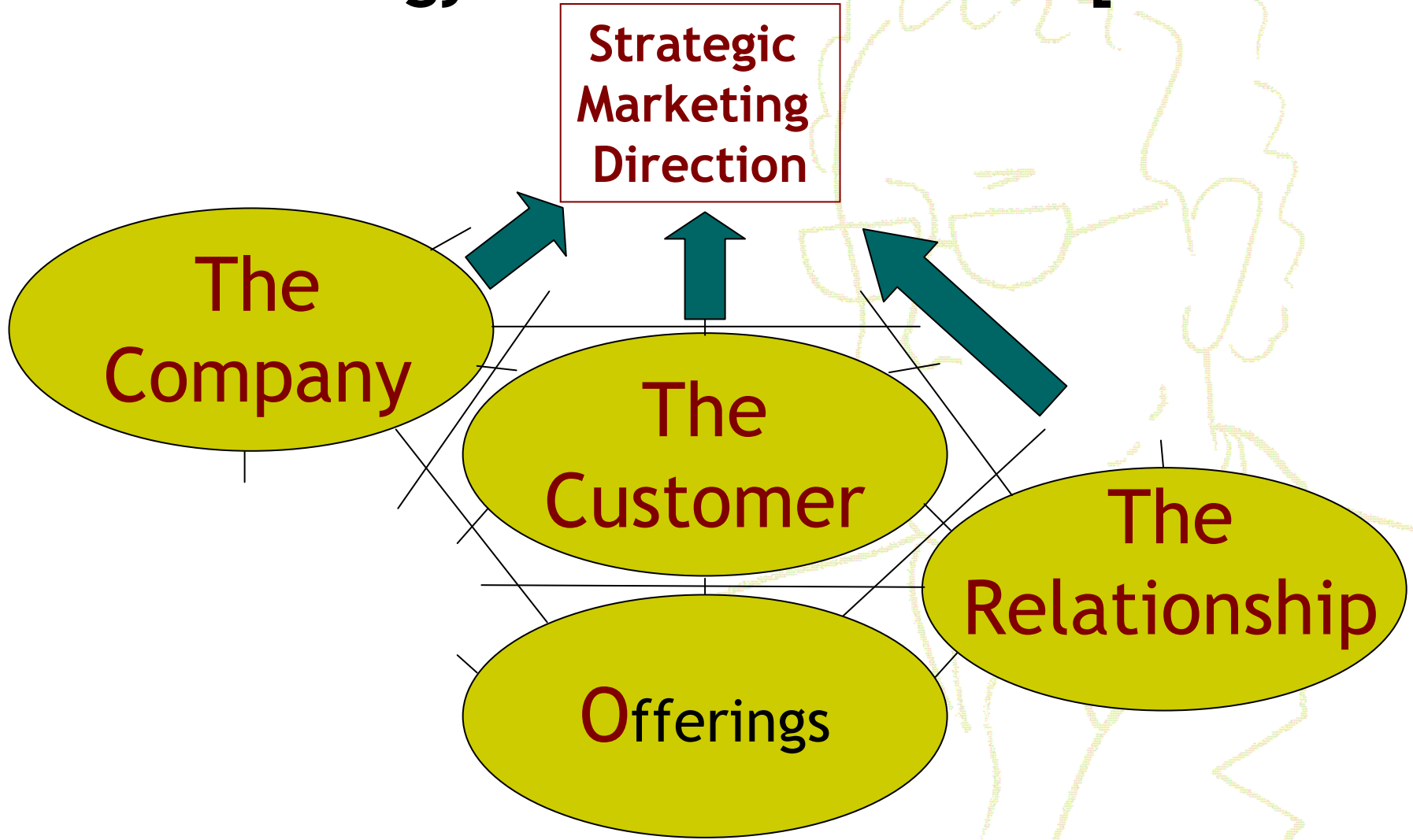
Scorpio market strategy - & CRM



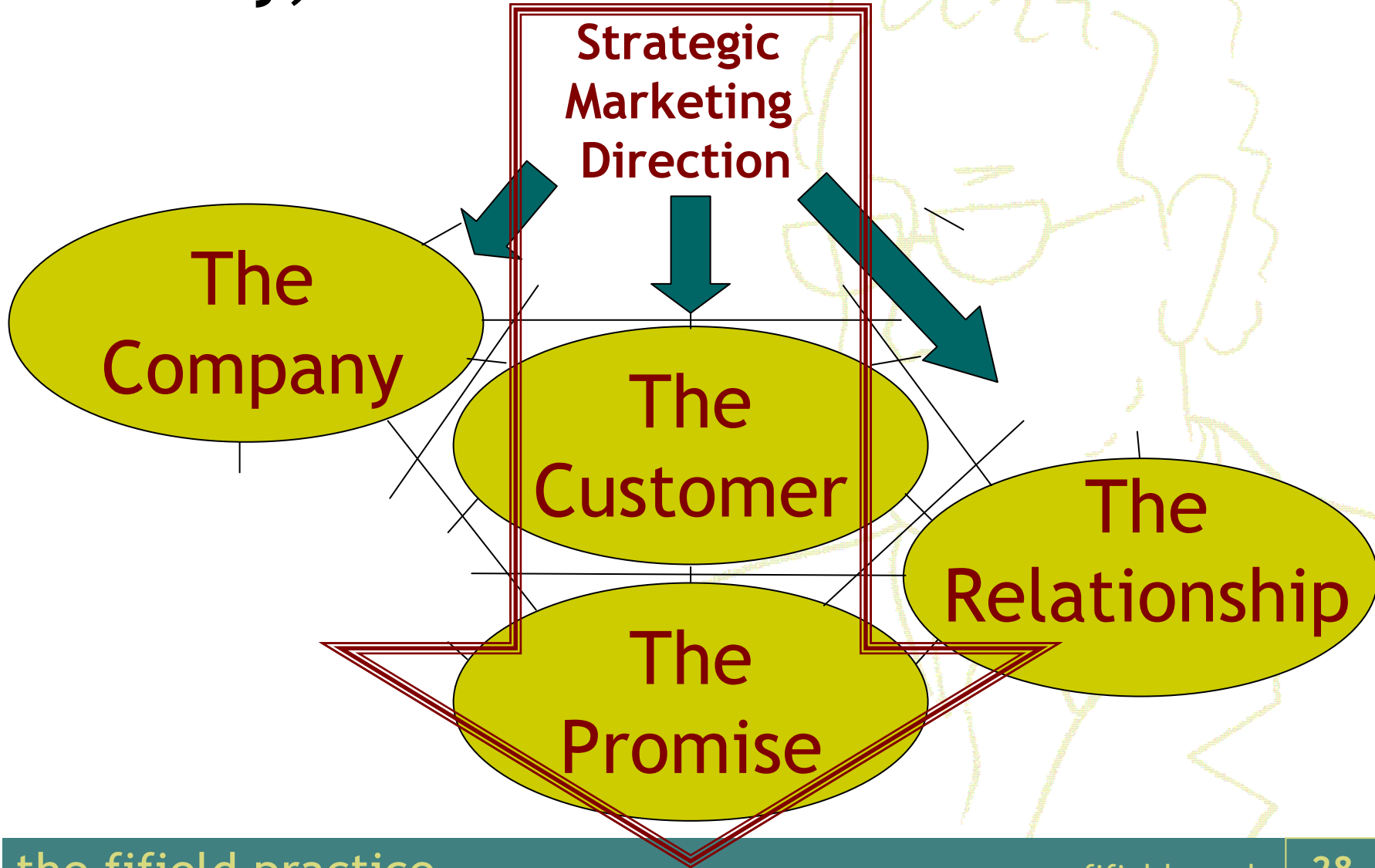
Scorpio market strategy & CRM



Market strategy needs information [from CRM]



Crucially, CRM needs **direction**



Scorpio marketing strategy and CRM

Retention Strategies

The SCORPIO view

1. How important is 'Retention' in our market?
2. How big is the 'problem' and what are the potential gains?
3. Is retention just about customer satisfaction?
4. Do our accounting and financial reporting systems get in the way of retention?
5. How good is our Marketing Information System (MkIS)?
6. What is the strategic role of Customer Relationship?
7. How are we planning to invest in our primary asset?

Scorpio marketing strategy and CRM

Retention Strategies

The CRM view

1. How good are you at customer retention?
2. How will you use the CRM system to improve retention?
3. How will you measure the results - and over what time period?
4. Will making customer service more consistent improve retention?
5. How “satisfied” are your customers?
6. Does improved retention follow from “best of breed” processing
7. Will improved retention mean increased cost to serve?

Scorpio marketing strategy and CRM

“The purpose of a business is to create and keep a customer” - Levitt

The SCORPIO view

Retention Strategies

The (old) CRM view

1. I must be more effective
2. Which customers to retain?
3. I need Committed customers
4. Develop tomorrow's business?
5. Be different from the rest
6. Segment the offer
7. Match the channels to the offer
8. Develop the processes to match the market
9. Win the game

1. I must be more efficient
2. How many customers can I retain?
3. I need Satisfied customers
4. I must keep today's business?
5. Be as good as the rest
6. Standardise the offer
7. Match the offer to the channels
8. Develop the processes to match the organisation
9. Stay in the game

**YOU NEEDED BOTH
- TO WIN!**

And Finally...

“Few things are brought to a successful issue by impetuous desire, but most by calm and prudent forethought”

Napoleon Bonaparte
(1769-1821)
Emperor of the French

