

# Customer Relationship Management (CRM)

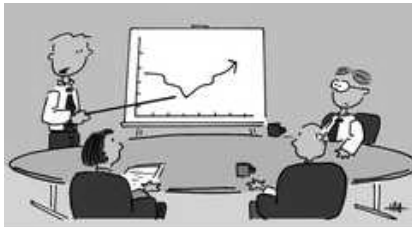
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[www.vdsys.com/ppt/crm2004.ppt](http://www.vdsys.com/ppt/crm2004.ppt) -

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"So, as you can see, customer satisfaction is up considerably since phasing out the complaint forms."

♦ CRM dalam perkembangannya juga bisa didefinisikan sebagai berikut :

- CRM adalah sebuah istilah industri TI untuk metodologi, strategi, perangkat lunak (software) dan atau aplikasi berbasis web lainnya yang mampu membantu sebuah perusahaan (enterprise, kalau besar ukurannya) untuk mengelola hubungannya dengan para pelanggan, atau
- CRM adalah usaha sebuah perusahaan untuk berkonsentrasi menjaga pelanggan (supaya tidak lari ke pesaing) dengan mengumpulkan segala bentuk interaksi pelanggan baik itu lewat telepon, email, masukan di situs atau hasil pembicaraan dengan staf sales dan marketing, atau
- CRM adalah sebuah strategi bisnis menyeluruh dari suatu perusahaan yang memungkinkan perusahaan tersebut secara efektif bisa mengelola hubungan dengan para pelanggan.

Bingung? Jangan khawatir, para ahli marketing juga mengatakan bahwa tidak mudah mendefinisikan apa itu CRM. Ini dikarenakan luasnya cakupan CRM terhadap aktivitas sales dan marketing yang pada akhirnya menjadi bagian dari manajemen pengetahuan (knowledge management) dari perusahaan itu sendiri.

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## What Is “CRM”

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- ◆ Customer Relationship Management
- ◆ Becoming a common and important concept in many industries
- ◆ Beyond mere ‘Contact Management’
- ◆ Most industries have CRM software to help sales process, on-going service, and even accounting



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## The Value of CRM

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- ◆ Gain more control in interaction with customers
- ◆ Manage expectations better
- ◆ Understand what customers really want
- ◆ Provide products that better serve customers
- ◆ Increase trust
- ◆ Competitive advantage



## A Working Definition...

- ◆ “The Plan and Practice of managing the lifetime relationship with your customer.”
  - “The Plan”: Every successful endeavor requires proper planning. Successful CRM rarely happens by chance. Many organizations jump to implementation w/o proper planning.



## A Working Definition...

- ◆ “The Plan and Practice of managing the lifetime relationship with your customer.”
  - “The Practice”: Systematic implementation of your plans. Should produce measurable results. Should be evaluated and refined over time.

## A Few Basic CRM Concepts...

### ◆ Touch Points

- Each time your company interacts with a customer is a touch point.
- Can we name a few Guest Touch Points?
- How about Owner Touch Points?

## Guest Touch Points

- ◆ First Call/Internet Visit
- ◆ Lease
- ◆ Pre-arrival
- ◆ Check-In/Check-Out
- ◆ Post stay thank you
- ◆ Newsletters, Interest Lists
- ◆ Housekeeping/Maintenance
- ◆ All marketing materials





## Owner Touch Points

- ◆ First Call/Internet Visit
- ◆ Original purchase of property
- ◆ Rental listing
- ◆ Any owner stays in property
- ◆ Every month's owner statement
- ◆ Newsletters
- ◆ Owner get-togethers
- ◆ Any phone call – positive or negative
- ◆ Any marketing information that the owner may see



## Touch Points

- ◆ Are they planned? Managed? Documented?
- ◆ Are all “touchers” properly trained? Enroll your complete staff in the vision.
- ◆ Any way to increase the effectiveness of the touch?
- ◆ Any way to increase the number of touches?



## A Few Basic CRM Concepts...

### ◆ Market Segmentation

- Do you treat all of your guests the same?
- Are they?
- Consider the difference between a guest that stays once ever in a 2 bedroom cottage and a guest that has stayed each of the last 10 years in a 6 bedroom home
  - We shouldn't treat the one-timer badly, they may come back many more times
  - We should realize that the higher value guest deserves the best that we can offer.



## A Few Basic CRM Concepts...

### ◆ Market Segmentation

- Do you treat all of your Owners the same?
- Are they?
- Consider the difference between an owner that has one 1970's motif 2 bedroom condo and an owner that has 3 8 bedroom oceanfront homes
  - We shouldn't treat the condo owner badly, they are in your program for a reason (right?)
  - We should realize that the OF home owner deserves the best that we can offer.



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## Market Segmentation Examples

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- ◆ Saks Fifth Avenue
  - High value customers (\$2000/yr) are routed to special CSR's.
  - The calls are routed such that a high value customer is connected to a CSR in one second or less.
- ◆ Could we coin a new acronym here:
  - HVG – High Value Guest?
  - HVO – High Value Owner?



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## Guest Segmentation

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- ◆ Can you use your guest history information to see:
  - Your most valuable repeat guests?
  - Those who tend to rent last minute?
  - Those who look for a deal?
  - Those who like packages?
  - Those who rent early?
  - Those who like new construction?
  - Guest Anniversaries/Birthdays
  - Interests (e.g. fishing, windsurfing)



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## Owner Segmentation

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- ◆ Can you use your owner/property information to see:
  - Those who work well with staff?
  - Those who don't?
  - Which homes are performing?
  - Can you rank them?



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## Do Not Call Regulation

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If your client is on the Do Not Call Registry

- ◆ If you have done business, you can call for up to 18 months
- ◆ If they only called, you can call them for up to 3 months
- ◆ Fine can be up to \$11,000 per incident



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## General Statistics

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**The average business never hears from 96% of its unhappy customers,**

- ◆ 91% never come back
- ◆ Those people will tell a minimum of 4 other people,
- ◆ Getting a repeat customer from this group is 1 in 11,
- ◆ Dissatisfied customers may tell **9-10** people about their experience,
- ◆ For every positive they tell 4-5 people,
- ◆ For every complaint received the average business in fact has **26** customers with the similar concern,




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## General Statistics...

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- ◆ Of the customers who register a complaint, as many as **70%** will do business again with your organization if the complaint is resolved effectively,
  - This figure goes up to **95%** if the complaint has been resolved quickly,
- ◆ 40% of complaints are the result from customer mistakes or incorrect expectations,
- ◆ A complaint that is handled efficiently is actually better than no complaint at all,
  - Customers who complain and get satisfactory results are 8% more loyal than if no complaint at all,



## Why customers quit-how to win customers and keep them for life

- ◆ 1% die
- ◆ 3% move away
- ◆ 5% develop other friendships
- ◆ 9% leave for competitive reasons
- ◆ 14% are dissatisfied
- ◆ 68% quit because of an attitude of indifference



## Vacation Rental from NAR

### **There are 7 million vacation rental homes in the US.**

- ◆ 84% of second homeowners never rent their property.
- ◆ This makes up 15% of the market
- ◆ The average age of a second homebuyer is 47 years old.
- ◆ While the median age of all existing second homeowners is 61.
- ◆ Existing owners have held their property for a median of nine years. .
- ◆ The median distance from the owners' primary residence and the vacation rental home is 185 miles.
  - a. 1/3 are more than 500 miles,
  - b. 1/3 are less than 100 miles.



## Vacation Rental from NAR

**This is important information on where you should be marketing too**

- ◆ For rental and sales-as most purchasers of second homes
- ◆ Will first rent and then move into a sale.

Every company should be able to do there own profile and get this information.



## Harrah's CRM Initiative

Goals

- ◆ Move from a stand-alone operations to one unified company
- ◆ Encourage customers to spend a larger portion of what they spend directly with Harrah's
- ◆ Encourage unified brand spending




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## Harrah's Data Analysis

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- ◆ 1997 a loyalty program was initiated
- ◆ Data is gathered at all points of sale
- ◆ 1998 they started mining and analyzing the data the found:
  - A Harrah's customer only spent 36% of gaming dollars with them
  - 26% of their customers produced 82% of revenue
  - "Best" customers were NOT the high rollers
  - They are slot playing middle aged folks, retired teachers, bankers and doctors with time and discretionary income
  - They often did not stay at the hotel, but visited in the evening to game
  - The reason that they visited was the anticipation and excitement



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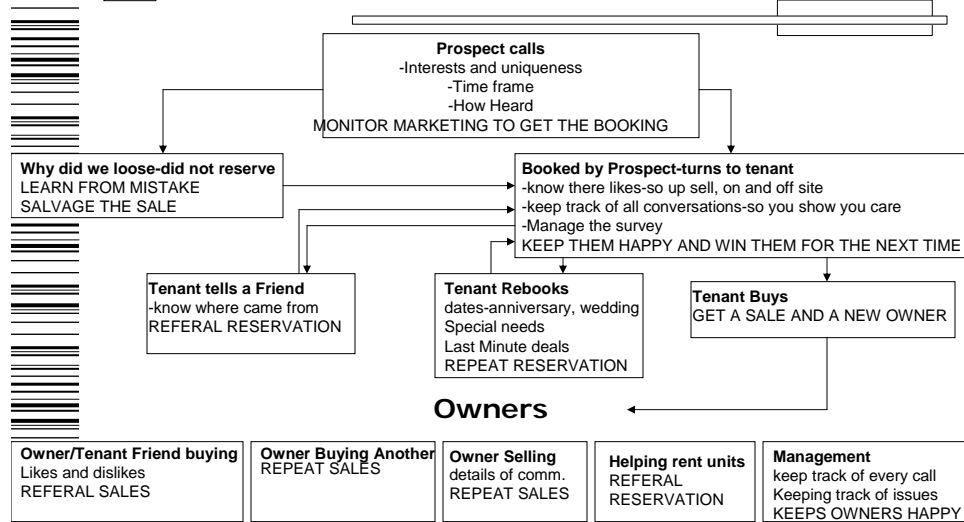
## Harrah's Plan

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- ◆ Decided to consolidate strategy around the choice customers
- ◆ Changed marketing message to focus on the excitement of gaming
- ◆ Used quantitative models to determine the lifetime value of the customer
- ◆ A happy customer will increase spending by 24%/year
- ◆ An unhappy customer decreases spending by 10%
- ◆ Increased cross-market play from 13% in 1997 to 23% in 2000

# CRM Process Summary

## Prospect/Tenant



## Summary

- ◆ “The Plan and Practice of managing the lifetime relationship with your customer.”
- ◆ Touch Points
- ◆ Market Segmentation
- ◆ Data Collection
- ◆ Data Analysis
- ◆ Understanding Your Customer