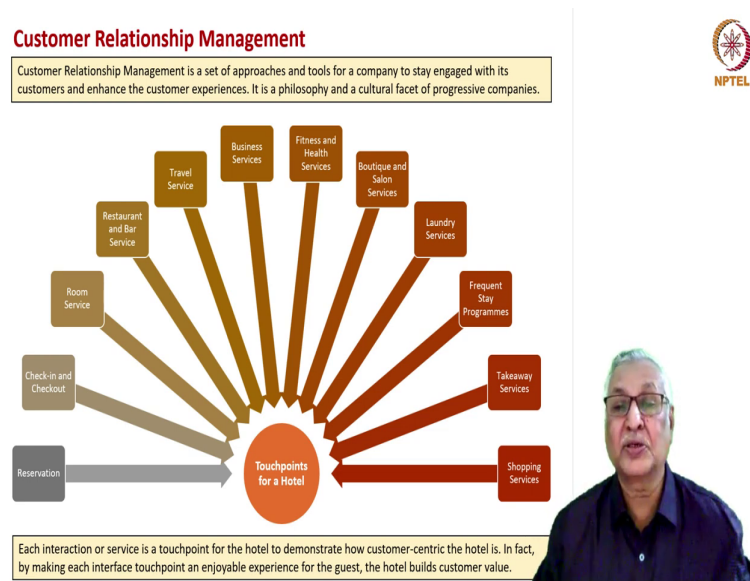


Business Development From Start to Scale
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Week - 05
Connecting with Customers
Lecture - 25
Customer Relationship Management

Hi friends, welcome to the NPTEL course Business Development from Start to Scale, we are in week 5 with the theme of Connecting with Customers. In this lecture the 25th in the series we are going to discuss Customer Relationship Management the previous lectures have considered markets customers, customer bonds market research design thinking and related topics. In this lecture how to establish and maintain the relationship with the customers is the topic.

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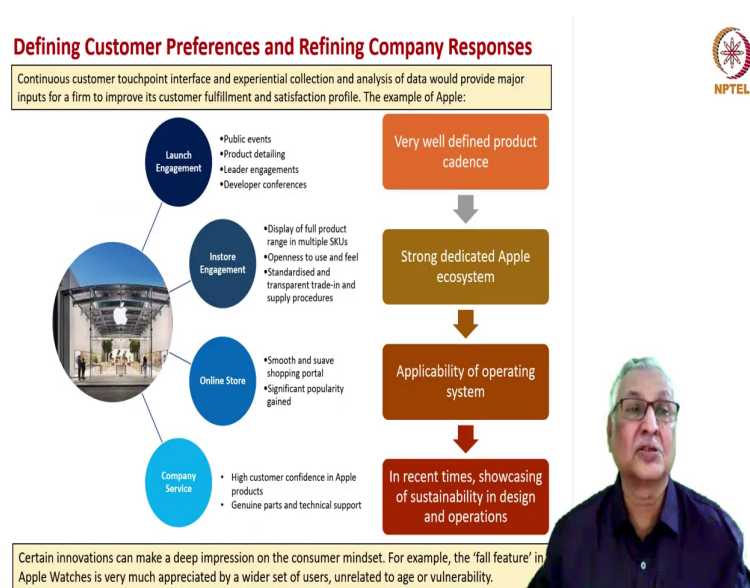
Let us look at the example of a hotel customer relationship management is a set of approaches and tools for a company to stay engaged with its customers and therefore, enhance the customer experiences. It is a philosophy and a cultural facet of progressive companies customer relationship management is appropriate for every type of company.

In fact, for every type of organisation in respect of a hotel the touch points for customer interaction are many. Let us look at a well-diversified hotel portfolio it has reservation check-in and check-out room service restaurant and bar service, travel service, business services, fitness and health services, boutique and salon services, laundry services, frequent stay programmes, takeaway services and shopping services each of these services represent multitudes of customer touch points and customer interactions.

It is an opportunity for each customer executive for each executive for each employee of the hotel to demonstrate how customer centric the hotel is. When we look at different types of hotels under different ownerships one hotel comes up very high in respect of customer service and customer relationship, it is the Taj group of hotels.

And that has come about due to a set of policies a set of values and a set of conduct principles that have been imbibed in the DNA of the hotel chain. Taj excels in making every interface every touch point an enjoyable experience for the guest and thus the hotel built its customer value. Many hotels also would like to emulate this kind of customer relationship management.

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How do we define customer preferences and how do we define company responses - when we say customer touch point interface is important how do we ensure that experiential collection

and analysis of data can be on organised lines. Conceptually the more data we collect the more we would be in a position to improve customer fulfilment and satisfaction profile.

Apple has excelled in customer relationship management it has understood the customer preferences very well at the time of launch of any product it has engagement with its customers developers and every stakeholder related to the Apple ecosystem public events product detailing, leader engagements and developer conferences make sure that every product launch is a great opportunity of engagement with the customer base.

Second when the product is launched there is a huge amount of in store engagement display of the full product range in multiple SKU's, openness to use and feel standardised and transparent trade in and supply procedures. And in terms of the online store there is this smooth and seamless shopping portal acting for the shoppers.

It has significant popularity that has been gained over the last few years. As far as the company service is concerned there is very high customer confidence in Apple products there are service outlet us which are company authorized that render systematic and predictable service there is genuine parts and technical support.

So, if you want to summarize customer relationship management it is not just a marketing tool it is more a marketing philosophy and a way of doing things at Apple very well-defined product cadence strong dedicated Apple ecosystem applicability of operating system for the customer relation management and showcasing of sustainability in design and operations that has been happening over the last few years.

Certain innovations of companies make deep impressions on the consumer mindset in respect of Apple the fall feature in the Apple watches is very much appreciated by a wider set of users unrelated to age or vulnerability that is how customer relationship management gets built up that is the deep impression that is made on customer psyche by the very unique feature of its products.

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Marketing Evolution

We can view evolution of customer-centric marketing in three distinct phases so far, enhancing relevance to customers. However, the future needs to be different in terms of personalized marketing.

1950s to 1970s	1980s and 1990s	2010s and 2020s	The Future
Mass Marketing <ul style="list-style-type: none">• One product• All customers	Mass Customisation <ul style="list-style-type: none">• Curated products• Customer groups	Personal Touch in Marketing <ul style="list-style-type: none">• Internet communication• Behavioural data analytics	Personalised Marketing <ul style="list-style-type: none">• Product customisation?• Process customisation?

When medicine can be personalised in not so distant a future, cannot (and should not) marketing be personalised?

Personalised marketing is about making sure that the product and its performance as well as the brand and its marketing are as specific and relevant to every customer as possible, given that no two customers are the same.



Customer relationship management and marketing evolution are interrelated customer centric marketing has happened in three distinct phases over the last decades. It has enhanced relevance to customers of marketing; however, the future needs to be different in terms of personalised marketing from 1950s to the end of 1970s.

We had mass marketing that is one product serving all the customers the product count was few in numbers and the coverage in terms of customers was very vast. In the 1980s leading up to the end of 1990s mass customisation was the mantra curated products and customer groups were holding the (Refer Time: 06:17) in terms of marketing strategy.

In 2010s and 2020s the personal touch in marketing began to be appreciated, internet communication has taken accessibility to customers and accessibility of the company by the customers to a new level. Behavioural data analytics began appearing in a big way the future

that is from now onwards could be personalised marketing while the markets and customer groups become more heterogeneous and more extended.

There is that much potential through the new digital technologies to personalise marketing as much as possible. It could happen through product customisation it could happen through process customisation. When medicine can be personalised in not so, distinctive future cannot and should not marketing be personalised as we all know each body is different, each disease pathway is unique and each cell behaves in a different fashion.

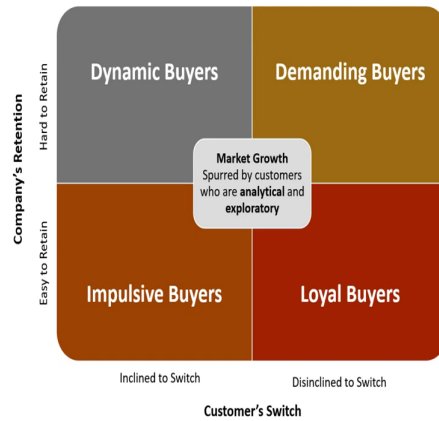
Under such circumstances we are trying to visualize and operationalize this situation in in not so, distinctive future where medicines can be personally prescribed, that is there will be matching of the genetic profile of the individual and the profile or the therapeutic profile of the medicine, which is nothing but personal medicine when such events can take place personalisation of marketing take place it is all in the mindset.

Personalised marketing is about making sure that the product and its performance as well as the brand at its marketing or as specific and as relevant to every customer as possible. And that has to occur with the clear perspective that no two customers are the same that is the challenge of marketing evolution.

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The Customer 'Switch-Retain' Paradox

Marketers seek a certain paradoxical behaviour on the part of its customers. They want the customers to be amenable to switch to their products easily but also be unwilling to be lured by other competitors (once the switch is done).



Marketing must understand customer psychology thoroughly to be able to effectively align products and strategy.



One of the important aspects of marketing is the switching aspect of consumers marketers seek a certain paradoxical behaviour on the part of its customers. We may also think of it as a selfish behaviour every marketer wants the customers to be amenable to switch to their products easily.

But also, be unwilling to be lured by other competitors once the switch is done and that is the human nature of marketing wanting to have everything for oneself, but in reality, that does not occur. Because individuals have their own mindsets you can influence individuals to a certain extent.

But for all the reasons we discussed earlier the demographic behavioural, psycho graphic, geographic, economic and other factors buyers are heterogeneous they have their own ways of looking at products and services as well as companies. So, let us form a two dimensional

matrix on one dimension we have customer switch on the other dimension we have companies retention.

If we are inclined to switch and if the company is able to retain easily, we are going to have lots of impulsive buyers on our hands if we have easy to retain position and buyers who are disinclined to switch then we will have lot of loyal buyers and that is the situation in which every company would like to be present.

Let us say customers are inclined to switch, but they are also playing hard to retain then we have a situation of dynamic buyers. We can also visualize the situation where customers are disinclined to switch and also they are hard to retain they are the real demanding buyers you need the highest level of marketing to make those buyers accept your products or services.

Marketing must understand customer psychology thoroughly to be able to effectively align products and strategy to these four classes of buyers. In fact, we can extend the buyer classifications a little more.

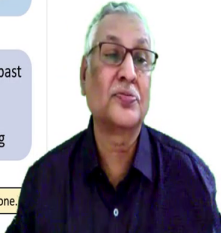

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Different Types of Customer Persona

Customers, even within a common demographic and socio-economic group, exhibit different psychological profiles.

Analytical Customers	<ul style="list-style-type: none">• Take logical, data based decisions• Evaluate and validate their decisions	Dynamic Customers	<ul style="list-style-type: none">• On the lookout for something new• Quick to switch at the first alternative
Experimental Customers	<ul style="list-style-type: none">• Tuned towards the new and innovative• Usually driven by high expectations	Demanding Customers	<ul style="list-style-type: none">• Seek high quality at low prices• Cost leadership with product differentiation
Impulsive Customers	<ul style="list-style-type: none">• Influenced by instincts and appeals• Not worried about need fulfilment	Loyal Customers	<ul style="list-style-type: none">• Conformist, going by past association• Passive, rather than active decision making

Different customer personalities require different marketing approaches, even if the product platform remains one.



There are different types of customer persona we have seen from a particular angle different types of demand and different types of customers. But now let us look at the fact that even within a common demographic and socio-economic group we can have customers exhibiting different psychological profiles.

There are six types of customers there are analytical customers who take logical database decisions they will evaluate and validate their decision they will completely read the product literature the label they will do research they will ask people for their views. And finally, take or appear to take a purchase decision there are experimental customers who are tuned towards the new and innovative they always like to experiment with new things in life they are usually driven by high expectations.

The very first new product is taken up by them such is the fascination experimental customers have towards new products then there are impulsive customers they are influenced by instincts and appeals they are not worried about need fulfilment a grand full-page advertisement or a celebrity endorsement could make an impulsive customer take up a new product or an old product that is repositioned based on a need appreciation of the product.

There would be dynamic customers they are always on the lookout for something new they are different from experimental customers experimental customers do want to try out the new and innovative, but as long as that newness and innovation persist, they will stay with the product as long as the expectations are met they will stay with the product.

Dynamic customers are not like that they are continuously dynamic they are continuously on the move they are on the lookout for something new. They are quick to switch at the first alternative if one company gives a good smart phone they would take it the moment they find a better smartphone they would shift to that phone and so on.


So, these customers never stay loyal and hard with any particular product or brand they are continuously moving then we have demanding customers they seek very high quality at low prices they demand cost leadership and at the same time product differentiation. Loyal customers are those who are conformist they remain in the zones of comfort they let the company also remain in the zones of comfort they go by past associations.

They are passive and they do not take active decision-making approaches different customer personalities require different marketing approaches even if the product platform remains one the point note here is that even with a common cluster of customers you would have different types of customers who exhibit different decision making and purchasing parameters.

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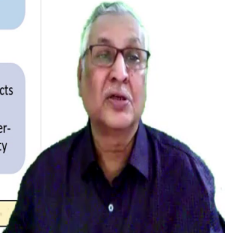

Consumer Psychography and Product Typology

While all customers do need all products or services, different profiles of customers seem well positioned to assess certain specific products or services to a greater degree.



Analytical Customers	<ul style="list-style-type: none">• Very keen on understanding specifications• Marketing has to be technical in detailing	Dynamic Customers	<ul style="list-style-type: none">• While not impulsive, appreciate choice• Marketers can create a range to hook the customers
Experimental Customers	<ul style="list-style-type: none">• Very keen to be the first to try out a new product or service• Marketing can co-work with such customers	Demanding Customers	<ul style="list-style-type: none">• Volatile, not necessarily logical in their needs and wants• Global giants enter India to master the complexity
Impulsive Customers	<ul style="list-style-type: none">• Very keen to judge products by style rather than by substance• Marketing has huge latitude in pushing sales by promotion	Loyal Customers	<ul style="list-style-type: none">• Seek little variation in products or services• Marketing gets smug if it over-relies on such extreme loyalty

It is important for Marketing to align the marketing strategy to play to the strengths of all types of customers.



Let us look at consumer psychology and product typology we talked about consumers who are of six types. Let us also examine how they view product typology given their basic approach to analysis of products or experimentation of products or loyalty to products. Different profiles of customers are well positioned to assess certain specific products or services to a greater degree than other groups.

Analytical customers are very keen to understand specifications of a product they are technically oriented they are operationally inclined and to match their requirements marketing has to be very technical in detailing. Experimental customers are very keen to be the first to try out a new product or a service therefore, marketing can co-work with such customers take them as early testers and bring them on board very easily.

The impulsive customers are very keen to judge products by style rather than by substance marketing has huge latitude in pushing sales by promotion for such impulsive customers. Dynamic customers are not impulsive, but they appreciate choice marketers can create a range to hook the customers or let them remain in their canvas rather than move to the competitors canvas.

Demanding customers are volatile they are not necessarily logical in their needs and wants when global giants enter India, they do that to master the complexity that is inherent in the Indian market of demanding high quality at affordable prices. Loyal customers seek little variation in products or services. In fact, if variations in products are offered, they may even get residue.

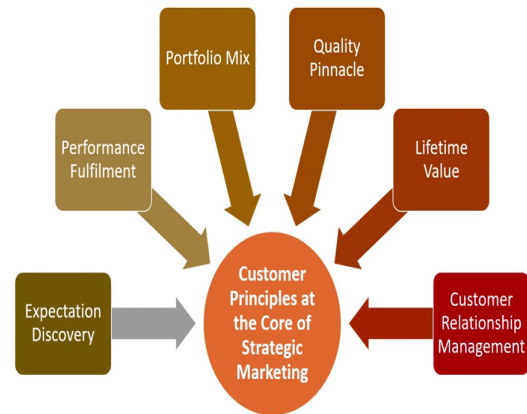
So, marketing gets because of such loyal customers and that in turn leads to ossification of the marketing strategy as well as the product strategy marketing therefore, should not be smug with over reliance on such extreme loyalty. It is important for marketing to align the marketing strategy to play to the strengths of all types of customers.

They should not value in the weaknesses of the customers they should play to the strengths and be helpful to the customers given their dominant characteristics.

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The Six Customer Principles

The customer view of strategic marketing must be predicated upon the six core principles discussed so far.



Irrespective of the nature of markets and the market segments, the six customer principles remain supreme.



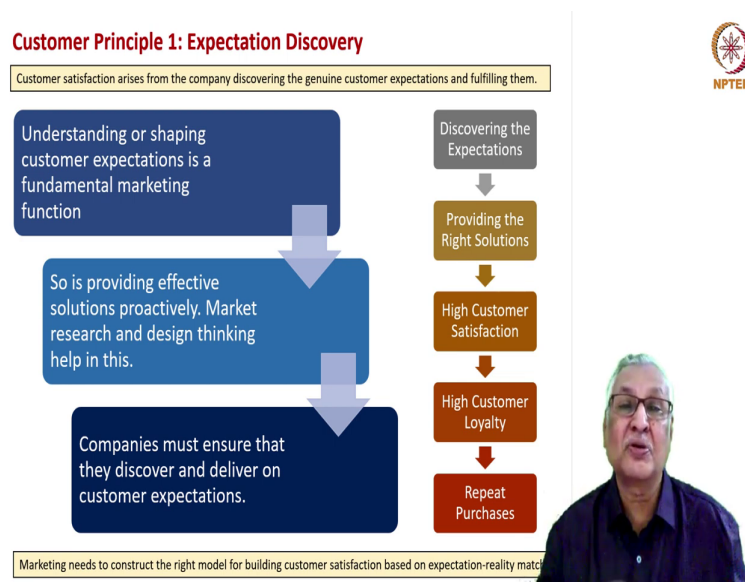
What are the six customer principles that are required for strategic marketing to lead to good relationship with customers there are six customer principles at the core of strategic marketing or strategic business development the first expectation discovery ability to discover what the customer really needs wants desires or aspires for.

The second is the performance fulfilment by the product or the service third the range of products that is the portfolio mix the company is able to offer the fourth is the quality pinnacle that is the highest quality assurance that the company can provide to the customers.

The fifth is the lifetime value of the product or service and we have seen how the lifetime value gets composed or gets computed as a series of steps from purchase cost to operating cost to service cost and resale value. Then we have customer relationship management which

is going to knit together all of these things irrespective of the nature of markets and the market segments the six customer principles remain supreme let us see some examples.

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Customer principle one expectation discovery customer satisfaction arises from the customers expectations getting discovered by the company and if the customer feels that the company is coming forward with the discovery of the customer expectations. The first step towards customer satisfaction is achieved by the company.

So, understanding or shaping customer expectations is a fundamental marketing function without that no other action can take place in a proper manner. Secondly, providing effective solutions is as important as understanding the customer expectations if the expectations are not met by solutions.

There would be frustration rather than satisfaction on the part of the consumers market research and design thinking help in this as we have seen earlier companies must ensure finally, that they discover and deliver on customer expectations as part of a experiential value chain that is provided to the customers.

So, discovering the expectations providing the right solutions, high customer satisfaction and therefore, high customer loyalty and because of that repeat purchases form a virtuous marketing cycle. Marketing needs to construct the right model for building customer satisfaction based on expectation reality match.

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Customer Principle 2: Performance Fulfilment

Marketing must focus on fulfillment of performance expectations by customers as a fundamental platform.

Customers are performance seekers from their products/services

Build an expectation of performance Seek to fulfil the expected performance



Buyers will buy from a firm that offers

High performance to the customer Balanced at different price points



Operational value as perceived by the customer is the difference between

Total customer benefits and Total customer costs

Maximisation of net operating benefit for the customer is the foundational principle of strategic marketing.



Customer principle number 2, performance fulfilment: fulfilment of products performance standards in actual usage is not product developments responsibility it is marketing responsibility as well that is why in many companies marketing personnel are also technical

personnel who have specialisation in the same kind of product engineering and technology on which the company is dependent upon.

Performance fulfilment is a fundamental platform for successful customer relations customers are performance seekers from their products and services they build an expectation of performance based on the products looks as well as the material available on the product they therefore, seek to fulfil the expected performance when the product is available with them.

Buyers will certainly buy from a firm that offers high performance to the customer and is balanced at different price points operational value is pursued by the customer in every purchase and every use it is nothing but the difference between total customer benefits and total customer costs.

Maximisation of the net operating benefit for the customer is the foundational principle of strategic marketing. High performance need not necessarily mean high lifetime value the product has to be a high performer and also a deliverer of lifetime value.

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Customer Principle 3: Portfolio Mix

Though companies need to generate and maximise profits, optimization of customer-product profitability is a paradox. Evaluating and integrating this platform into company's strategy and operations requires strategic thinking.

It is fairly obvious that losing a profitable customer has deep impact on a firm's profitability – loyalty of profitable customers is key to growth.

It is less obvious that losing a marginal customer can be a strategic disadvantage – losing a relationship can be more lasting and detrimental.

The cost of attracting a new substitutional customer can be many times the cost of keeping a customer happy – more so, in B2B segments.

A typical hospital setting

Doctors need the full suite of products

Individual product profitability does not concern them

If the company minds its product-wise profit, it could lose the relationship

Strategic marketing requires a portfolio approach

The 20-80 rule on 20 percent of customers giving 80 percent of profits, and therefore the marginal customers being of less importance is inappropriate for strategic marketing decisions. A portfolio approach is better considered.

Customer principle number 3 portfolio mix though companies need to generate and maximise profits companies also have to optimize customer product profitability this should not be seen as a paradox because the world-wide theories are that if you produce the same product to the highest scale.

Then only you would be able to maximise the profits, but the new theory is that if you provide the portfolio mix that a cluster set of customers want you would be able to have better profitability because you would be able to price different products in differential manner.

If you have different product lines as a company you may be able to elevate the margins compared to a company which is stuck in a commodity kind of standardized product routine

therefore, portfolio mix has to be designed in a very perceptive manner by the company strategist.

And those people who are in charge of company strategy R and D and operations require such strategic think. It is fairly obvious that losing a profitable customer has a deep impact on a firm's profitability therefore, loyalty of profitable customers is key to growth.

How will a customer who is profitable be with the company at all times because it is less obvious that closing a marginal customer can be a strategic disadvantage many companies do not realize that they feel that it is only one account that is lost, but loss of an account could be more lasting and more detrimental than what we see in terms of today's number.

There are companies which even today do not have billing systems extending into late evenings and late nights, because they believe that the back end is pressured because of this kind of billing, but in today's 24 by 7 payment infrastructure not having 24 by 7 billing capability is a negative and a lost customer.

Because of such delays or such closeout of marginal customers is unlikely to be welcomed by such customers over a period of time a group of customers who receive their funds towards the end of their day are likely to be lost for the company forever, if this policy continues.

The cost of attracting a new substitutional customer in such cases can be many times the cost of keeping a customer happy this is more so, in B2B segments. So, if you look at a typical hospital setting doctors need the full suite of products that is the medicines, individual product profitability does not concern them at all. If the company minds its product wise profit it could lose the relationship.

Doctors need overall products which are commodity products as well as the more sophisticated and more recent sterile injectable products. If the pharmaceutical company does not offer the full range the doctor would go for a pharmaceutical company which would operate with the full range.

Strategic marketing therefore, requires a portfolio approach the 20-80 rule on 20 percent of customers giving 80 percent of profits may be true; however, marginal customers being of less importance is certainly not a rule for strategic marketing decisions. That is why any function is as good as the total value chain comprising all the functions.

If the company masters the art and science of producing a large variety of products at different volumes with greater pricing capability in the premium products that company would have sustainability compared to other types of companies focusing only on the profit earning products therefore, a portfolio approach is better considered by companies.

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Customer Principle 4: The Quality Pinnacle

Experience teaches us that Quality is one of the most important influencers of customer loyalty. Marketing cannot simply take what is given; it should be able to influence the organization to deliver the best-in-class quality.

Quality The totality of features and attributes of a product or a service that establish its ability to fulfil the stated or implicit needs. This includes the quality of customer experience too.



That said, there may not be one measure of Quality that the firm can rely on. Continuous evaluation in R&D, Manufacturing and in the Field improves the Quality competence.



Marketers play a key role in achieving high levels of total quality to achieve business sustainability in the face of determined competition



Marketing must engage external independent consultants to develop ratings on the quality reputation.



Customer principle 4 the quality pinnacle: experience teaches us that quality is one of the most important influences of customer loyalty a brand gets its value because of the quality facet that it displays marketing cannot simply take what is given by the rest of the company.

It should be able to influence the organisation to deliver the best-in-class quality there are three aspects of quality it is defined by the totality of features and attributes of a product or a service, which established together the ability to fulfil the stated or implicit needs.

This includes the quality of customer experience too that is the features in total and the attributes in total of a product or service will matter a lot. Because just one feature of let us say Napier acceleration does not make a car a great car it has to operate on all the parameters on flat roads as well as hilly terrains in cold-winters as well as in hot summers and that ability to be equally capable, equally proficient in various operating conditions is the hallmark of the high quality.

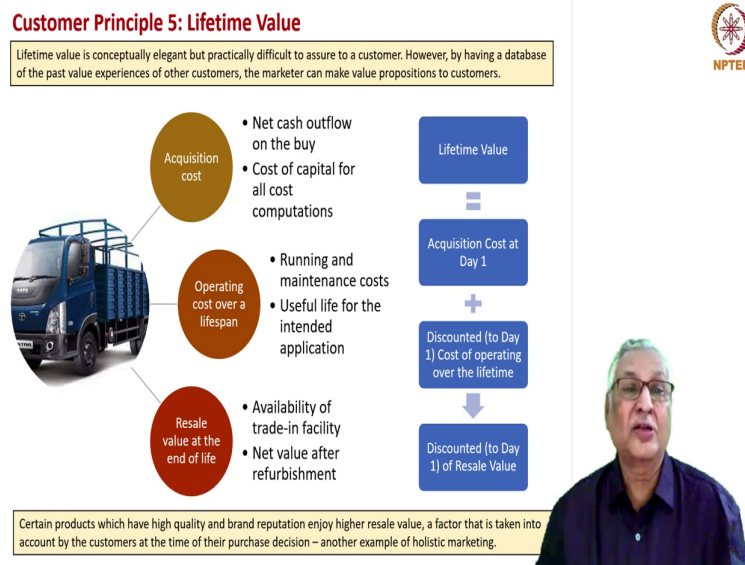
And this leads to better quality of customer experience therefore, such an automobile will be preferred that is it. There may not be one measure of quality that the firm can rely on we have to continuously evaluate the R and D manufacturing and field activities of a product.

So, that the quality competence can be improved upon that is why JD powers evaluation of the quality of an automobile in the developed world is based on a number of parameters right from design and development to after sales service and on road performance.

Marketers play a key role in achieving high levels of total quality because they are the face of the customer, they are the voice of the customer. They can make the company achieve business sustainability in the face of determined competition I have given here three quality stalwarts the Taiichi Ohno of Toyota who brought in the Toyota production system Joseph M Juran the quality evangelist and W Edwards Deming another quality evangelist are famous globally for their quality leadership.

Marketing must engage external independent consultants from time to time to develop ratings on the quality reputation of the products and the company.

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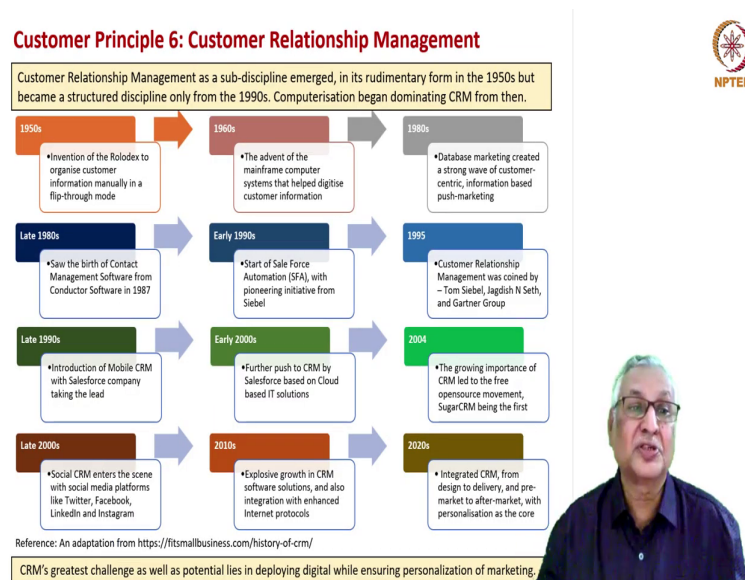
Right customer principle number 5 lifetime value: lifetime value is conceptually elegant, but practically difficult to assure to a customer; however, by having a database of past value experiences of other customers the marketer can make value propositions to future customers there are three points of value the first is the acquisition cost net cash outflow on the buy.

Cost of capital for all cost computations you can see from this that if a company has got a captive financing unit it will be able to offer better cost of capital for the buyers operating cost over a lifespan running and maintenance cost and the useful life for the intended application.

The third one is the resale value at the end-of-life availability of trade in facility net value after refurbishment cost included. So, lifetime value is nothing but acquisition cost at day 1 plus discounted to day 1 cost of operating over the lifetime and discounted to day 1 of resale value.

Certain products which have high quality and branded reputation enjoy higher resale value a factor that is taken into account by the customers at the time of their purchase decision another example of holistic marketing.

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Customer principle 6 customer relationship management: customer relationship management has emerged as a sub discipline of marketing the discipline was in rudimentary form in the

1950s, but became a structure discipline from the 1990s computerization began dominating CRM.

From then let us look at the journey in 1950s rolodex was invented it helped companies organise customer information manually in a flip through mode. Cardex is one such example in the 1960s the advent of the mainframe computer systems helped digitize customer information for the first time.

In the 1980s database marketing created a strong wave of customer centric information-based push-marketing late 1980s saw the birth of Contact Management Software from Conductor Software in 1987. Early 1990s saw the Start of Sales Force Automation SFA, with pioneering initiative from Siebel.


1995 was the beginning of the formal customer relationship management as coined by Tom Siebel, Jagdish N Seth and Gartner Group. Jagdish N Seth is a famous exponent of relationship marketing. Late 1990s saw the introduction of mobile CRM with Salesforce Company taking the lead.

In the early 2000s there was a further push to CRM by Salesforce based on cloud-based IT solutions, 2004 the growing importance of CRM led to the free open-source movement Sugar CRM became the first one in the field late 2000 social CRM entered this scene with social media platforms such as Twitter Facebook LinkedIn and Instagram playing a major role.

2010s explosive growth in CRM software solutions and also integration with enhanced internet protocols, in 2020s integrated CRM from design to delivery, and pre-market to after-market with personalisation as the core this is an adaptation from a web article. CRM's greatest challenge as well as potential lies in deploying digital while ensuring personalisation of marketing at times digital data makes humans faceless.

But the challenge of customer relationship management is to leverage the digital to personalise the relationship that is the challenge.

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CRM at Kimberly-Clark: HBR Study

Kimberly-Clark is a well-known global consumer packaged goods companies. With hundreds of categories, it needed to relate its marketing expenditure to retailer level sales impact.

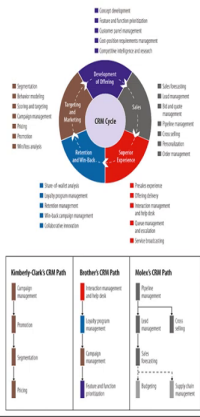
Kimberly Clark was uncertain which promotions were producing retailer loyalty, shelf space, and sales, and which were going to waste

The company created a system to measure the impact of a particular promotion on sales and profits for both Kimberly-Clark and its retailer customers.

Helped measure the real-time impact on sales and profit of promotions; integrated into sales and planning process with customers.

Consistent data and business rules helped sales reps broaden their perspective - from thinking purely of managing sales, they think in terms of managing the business.

“CRM Done Right” by Dianne Ledingham and Darrell Rigby, HBR, November 2004 provided insights on successful CRM at Kimberly Clark, done right after initial faltering as demonstrated above.



Let us look at CRM at Kimberly-Clark there has been a HBR Study called CRM done right it was published in HBR number 2004 the article provided insights on successful CRM at Kimberly-Clark which was done right after the initial faltering. Kimberly Clark is a well-known global consumer packaged goods companies with hundreds of categories it needed to relate its marketing expenditure to retailer level sales impact.

Kimberly Clark was uncertain which promotions were producing retailer loyalty shelf space and sales and which you are going to waste. The company created a system to measure the impact of a particular promotion on sales and profits for both Kimberly Clark and its retailer customers it helped measure the real time impact on sales and profitability of promotions.

Integrated into sales and planning processes with customer's consistent data and business rules have helped sales representatives broaden their perspective from thinking purely of

managing sales they started thinking in terms of managing the business you can see the CRM cycle of Kimberly Clark.

First development of offering then the sales superior experience retention and win back of customers and targeting and marketing that is the CRM cycle. And each has got certain sub activities concept development feature and function prioritization customer panel management cost position requirements management and competitive intelligence and research.

This was comprised as a part of development of the offering in respect of sales module we had sales forecasting lead management bid and quote management, pipeline management, cross selling personalisation and cluster management. With respect of superior experience, pre sales experience, offering delivery, interaction management and help desk queue management and escalation service broadcasting.

Retention and win back involved share of valid analysis loyalty program management, retention management, win back campaign management and collaborative innovation. And in terms of targeting and marketing segmentation of the market and customer group's behaviour marketing sourcing and targeting campaign management pricing promotion and win-loss analysis were the key factors.

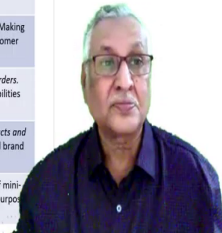
So, what the company did was to compare its CRM path with the competitors Brother and Molex and it found that there are certain advantages of the pathways adopted by other competitors and certain advantages of the pathway, which it adopted. In terms of campaign management promotion segmentation and pricing some other companies looked in greater detail about feature and function prioritization, they also integrated sales forecasting as part of the CRM package.

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Making CRM Sustainable

Database oriented CRM throws up millions of data points routinely. A company must be able to discern which is the normal operational pain point and which is the critical strategic pain point and solve accordingly.

Routine Issues	Strategic Signals	Example of Strategic Signal and Strategic Solution
Problems that can be solved in the field with empowered salesforce	Problems which are symptomatic of deeper malaise, impacting customer loyalty	Retailers not placing orders in time, despite demand. Solving this will enhance customer loyalty and boost sales
Problems whose solutions can be easily copied by the competitors	Solving the problems provide a substantial and sustainable competitive advantage	Supplying small volume SKUs in rural interior is avoided by companies for cost and logistics reasons. Solving this will boost rural penetration.
Problems that do not require a CRM to solve	Problems that keep recurring if solved without the customisation that CRM offers	Supply mismatch due to lack of understanding of seasonal impact. Solving this will lead to high sales through all seasons with optimal PPIC
Problems that are more related to the environment than the company	Problems that are seemingly external which can be a rallying point when solved by the company	Bank finance lacking for consumers. Strategic tie-ups with banks with innovative financing options can be a strong competitive advantage.
Problems that are not vital to the organisation or its culture	Problems whose solution leads to a new cultural anchor to the organisation to rally around	Spending time with the customers at the PoS. Making this a regular salesforce beat will position customer centricity as a strong cultural anchor.
Solving the problem merely fixes the immediate problem	Solving the problem would create new capabilities for additional opportunities	The ERP system will not take late night sales orders. Making the system 24x7 will create new capabilities for continuous process industries
Solving the problem provides soft or transient benefits	Solving the problem provides tangible recurring benefits	Customer is prone to switching between products and brands. Creating strong product relevance and brand loyalty drives sustainable sales growth
Solving the problem does not get noticed in the organisation	Solving the problem would emerge as a success story, both within and outside the organisation	Company is having a brand clutter. Creation of mini-umbrella brands may ensure certain unity of purpose while providing the needed diversity.



How do we make CRM sustainable: database-oriented serum throws up millions of data points routinely a company must be able to discern which is the normal operational pain point and which is the critical strategic pain point and resolve those issues accordingly. So, we have routine issues and we have strategic signals.

Problems that can be solved in the field with empowered sales force would be a routine issue problems which are symptomatic of a deeper malaise impacting customer loyalty is a strategic signal. Discounts promotions which are provided routinely not only by the company, but also by the competitors is a routine issue which is characteristic of industry.

Whereas, problems such as sales not picking up in spite of the discounts and the necessity to keep on giving deeper and deeper discounts is systematic evincing of a deeper malaise and that gets into a tell situation which only can be ignored at its peril by the company.

Therefore, strategic signal must be separately viewed from the operational signal. Again, another classification problems whose solutions can be easily copied by the competitor is a routine issue, but solving the problems in such a manner that there would be a sustainable and substantial competitive advantage over the competitor is a strategic input. Problems that do not require a CRM to solve is a routine issue.

Problems that keep occurring again and again and those which can be solved only with CRM is a strategic issue problems that are more related to the environment than to the company or protein issues problems that seem to be external, but are beginning to be rallying point for the customers when solved by the company is a strategic signal.

Problems that are not vital to the organisation or its culture is a routine issue, but if the company is able to solve those problems and that leads to a new cultural anchor to the organisation to rally around. It becomes a strategic signal solving the problem merely fixes the immediate problem then it is seen as a routine matter.

However, if solution to the problem creates a new capability for additional opportunities it becomes a strategic signal. If the solution to the problem provides only transitory or soft benefits it is a routine issue; however, if the problem solution provides tangible recurring benefits, is a strategic issue.

If solving of the problem does not get noticed in the organisation it is a routine issue; however, you solving the problem emerges as a success story and if the pathway to solve the problem emerges as a role model both within and outside the organisation it is a strategic issue.

So, let us look at some more examples of strategic signal and strategic solution in a company. Retailers are not placing orders in time despite demand. If you solve this problem, it will enhance customer loyalty and boost sales. Therefore, it is a strategic problem and a strategic solution. Supplying small volume SKU's in rural interior is avoided by companies for cost and logistics reasons.

Solving this problem will boost rural penetration without doubt. Supply mismatch due to lack of understanding of seasonal impact is a strategic signal. Solving this will lead to high sales through all the seasons with optimal production planning and inventory control. Lack of bank finance for consumers is a strategic signal. More so, in times of recession.

Strategic types with banks with innovative financing options can be a strong competitive advantage. Enough time not getting spent at the POS with the customers is a strategic signal. If the sales people are so busy, they cannot rest at any point and talk to customers. It is a strategic mismatch or a strategic gap. Making this a regular sales force beat will position customer centricity as a strong cultural anchor.

If the ERP system does not take late night sales orders, it is a strategic signal that something is not going well. Making the system 24/7 will create new capabilities for continuous process industries. Customer is prone to switching between products and brands, and if that happens regularly, it says clear strategic signal. Creating strong product relevance and brand loyalty drives sustainable sales growth.

Company is having a brand clutter. This signifies a big strategic problem. Creation of mini umbrella brands may ensure certain unity of purpose while providing the needed diversity.

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CRM Tools



There are many software solutions that are available for customer relationship management by company salesforce

- Best Overall: [Salesforce](#)
- Best for Solo Business: [Freshworks](#)
- Best Value: [Pipedrive](#)
- Best Free Option: [HubSpot](#)
- Best for Multi-Channel Communications: [Bitrix24](#)
- Best for Customization: [CompanyHub](#)
- Best for Small Business Sales Teams: [Infor CloudSuite CRM](#)

As per Investopedia.com

Logos shown: Salesforce, Freshworks CRM, Pipedrive, Infor CloudSuite, HubSpot CRM, Bitrix24, CompanyHub

The CRM solutions guide and monitor salesforce in terms of meaningful metrics but it is open to debate if the tools really help in enhancing the customer experience. No metric would substitute human relationship development.



So, what are the CRM tools that are available there are many software solutions that are now available on a plug and play basis for customer relationship management by company Salesforce best in the overall as per Investopedia dot com Salesforce best for solo business Freshworks an Indian company best value Pipedrive best free option HubSpot best for multi-channel communications Bitrix 24.

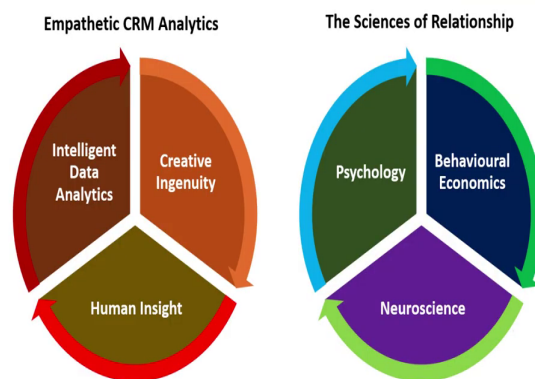
Best for customization CompanyHub best for small business sales teams Infor CloudSuite CRM there are many companies which are gaining ascendant through the CRM suites as well as application of CRM in their own operations. Salesforce Freshwork CRM, Pipedrive, Infor CloudSuite, CompanyHub, Bitrix 24, HubSpots CRM have reached great heights in providing these kinds of software solutions.

The CRM solutions guide and monitor the sales force in terms of meaningful Bitrix, but it is open to debate if the tools really help in enhancing the customer experience on a personalised basis. Ultimately no metric would substitute human relationship development therefore; CRM has to be supplemented by the human phase connectivity that will be the real driver for relationship building.

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Humanising CRM

An emotional response from the customer is key to building trust, and to positively engage with the customer. Customer connect drives brand response - marketers must remember this without getting lost in foggy data-haze.



Designing customer relationship journeys that elicit both the short-term behavioural response desired and the long-term emotional embodiment aggregate towards better results over time.



How do you humanize CRM an emotional response from the customer is key to building trust and that helps in positive engagement with the customer. Customer connect alone drives brand response marketers must remember this without getting lost in the foggy data haze that CRM offers.

So, the empathetic CRM analytics look at the following three aspects intelligent data analytics, creative ingenuity and human insight. The ability to draw humanistic conclusions

from the multiple data points and multiple data analytics is the key to success of CRM. The sciences of relationship in managing CRM lie in the following three domains psychology, behavioural economics and neuroscience.

Designing customer relationship journeys that elicit both the short term behavioural response as desired and the long term emotional embodiment as essential aggregate towards better results over time together that is, the way to humanize CRM and make it a strong strategic driver of growth.

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HUL CRM

Hindustan Unilever (HUL) recently introduced three new products through its Horlicks digital stores. Each of the customer queries is responded to individually by email as well as telecalls by HUL marketing representatives.

Product Categories:

- Mulberry Leaf Gummies for Diabetes Control
- Nutrition Gummies for Children
- High Fibre Powder for Better Metabolism

Marketing Milestones:

- In 2005, GSK released a clinical study claiming that children who consumed Horlicks grew better. It was also the first to address the kids, rather than moms directly.
- Horlicks first addressed 'exam pressure' several years ago. In 2018, it released its ad tackling the issue of dangerous academic/exam pressures
- Horlicks adopted both emotional and combative advertising, including head-to-head fight with Complan
- Horlicks was the first company to release separate TV advertisements in regional languages. J Walter Thomson worked on Horlicks for 80 years in India.

Horlicks makes it a point to address each of the digital stores queries of the customers personally

Horlicks is a 'jug-mug' brand because a jug or mug is invariably on promotion. While moms love Horlicks for their family, they love the free jug or the free mug even more. Horlicks understood the importance of customer connect more than any other brand, and much earlier to any other brand.

NPTEL

(Speaker: A man with glasses and a dark shirt is visible in a video feed on the right side of the slide.)

In Hindustan Unilever CRM has seen great heights the company recently introduced three new products through its Horlicks digital stores; however, large the company is it makes it a point to address each of the customer queries individually by email as well as through tele calls by HUL marketing representatives.

Hindustan Unilever has three types of products mulberry leaf gummies for diabetes control, nutrition gummies for children, high fibre powder for better metabolism. In 2005 GSK released a clinical study claiming that children who consumed Horlicks grew better it was also the first to address the kids rather than moms directly we should remember that Horlicks is the original brand of GSK.

Horlicks also was the first company which addressed exam pressure several years ago in 2018 it released its act tackling the issue of dangerous academic exam pressures Horlicks adopted both emotional and combative advertising including head-to-head fight with company. Horlicks was also the first company to release separate TV advertisements in regional languages J Walter Thompson worked on Horlicks for 80 years in India.

Horlicks it is new avatar is owned by Hindustan Unilever, but Horlicks that is Hindustan Unilever makes it a point to address each of the digital stores queries of the customers personally for long. Horlicks was known as a jug-mug brand because a jug or mug is invariably positioned in the advertisements and promotions. While moms love Horlicks for their family, they also love the free jug or the free mug even more.

Horlicks understood the importance of customer connect more than any other brand and much earlier than any other brand understood the requirement. So, that was CRM in its operation in its evolution and in the digital world this is the CRM that actually is adopting in terms of personal connect to solve the patient's problems or the people's problems as the case may be.

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B2C Connect Platforms

Business to Consumer (or, vice versa) connectivity is made possible by several national and global periodic events.



MWC™
GSMA
Barcelona



These events help companies showcase their current and future products to customers and connect with customers. Often, these are helpful to present futuristic products, and observe consumer response.



There are several platforms that are available for connection with the customers the companies and customers can freely inter mingle in such platforms. Business to consumer or consumer to business connectivity is made possible by several national and global periodic events.

We have Geneva motors show which displays all the modern futuristic cars similarly, the Tokyo motor show then CES for electronic goods MWC in Barcelona for mobile phones and other electronic goods and nearer home we have various festive events such as, style bazaar which display the products.


These kinds of events help companies showcase their current and future products to customers and connect with the customers often these are also helpful to present futuristic products and observe consumer response. I have covered in an earlier lecture that observation

is one of the ways in which you can conduct market research and try to decipher the consumer behaviour.

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B2B Connect Platforms

Business to Business (B2B) connectivity is made possible by several national and global events which connect firms.



The collage features several B2B connect platforms: a trade show booth for NPI, the ICAM 2022 conference on Additive Manufacturing, the J.P. Morgan Healthcare Conference, the CPHI Frankfurt trade show, the 11th Medical Technology Conference, the CLMPSIS conference on Pharmaceutical Chemistry, and the E-TECH Europe 2023 exhibition.

These events help companies showcase their current and future products to their business customers and connect with them. Often, these are helpful to present futuristic products, and observe consumer response.



Similar to B2C platforms we have several B2B connect platforms also B2B connectivity is made possible by several national and global events which connect firms CPHI, which is held annually in a European city is a great example. We also have several other specialized thematic business-to-business conferences and exhibition events.

ASTM international conference on additive manufacturing is a great example JP Morgan's annual healthcare conference which is held in San Francisco as a matter of strategic protein by the investment banker is an example. We have Decat which is held in USA bringing together all the formulators. We have CII medical technology conference that happens.

There are glimpses on pharmaceutical chemistry which are organised as the events. We have in other industry associations such as FIKI and (Refer Time: 46:48) organising conferences on various themes you take Europe is an electric and electronics-based exhibition.

These events help companies showcase their current and future business products to their business customers and connect with them. Several new developments are going to take place when business-to-business customers meet businesses are inclined to modernize their facilities based on the understanding of new technologies that are presented in such events and exhibitions.

The helpfulness to present futuristic products and the ability to observe consumer response are two critical drivers of the expanding role of B2B connect platforms. This is also CRM at its zenith with this we come to the end of this lecture. I hope to see you in the next weeks lectures.

Thank you very much for your kind attention.