#105th Marketing Club 17th Riyadh

67th Business Club

CRM & Customer Loyalty

Customer Relationship Management part 2

Tuesday 29-8-2023

10 PM EGY 10 PM KSA 11 PM UAE

FOUNDER & HOST

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INSTRUCTOR

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Marketing Club

About The Instructor

➤ Ramy Abdelrahman Elgendy (**Marketing** and **E commerce** manager Innova health care)

➤ I have a bachelor degree on pharmaceutical Sciences, Tanta university 2007

➤ I have over 15 years' experience in sales and marketing with different chains like Innova, Nahdi, Zahrat Al-Rawdah and Kunooz Al-Sahha.

➤ CRM, Loyalty, E commerce, Digital marketing Expert.

➤ I get my MBA from Geneva Business School 2018

➤ I`m a certified digital marketing professional (CDMP) 2021

"A customer is the most important visitor on our premises. He is not dependent on us. We are dependent on him. He is not an interruption in our work. He is the purpose of it. He is not an outsider in our business. He is part of it. We are not doing him a favor by serving him. He is doing us a favor by giving us an opportunity to do so."

—Mahatma Gandhi.

01

CRM &Omnichannel

Tips from previous session

What is CRM ?

- Customer relationship management (CRM) is the combination of practices, strategies and technologies that companies use to manage and analyse customer interactions and data throughout the customer lifecycle.

- The goal is to improve customer service relationships and assist in customer retention and drive sales growth.

Why do we want CRM at Business ?

- Having customer information such as past purchases and interaction history easily accessible can help customer support representatives provide **better and faster customer service**.

- Collection of and access to customer data can help businesses **identify trends** and insights about their customers through reporting and visualization features.

- **Automation** of menial, but necessary, sales funnel and customer support tasks.

Multichannel or Omnichannel

Multichannel is the marketing practice of using more than one media channel to communicate with customers and prospects. However, these channels are not necessarily integrated with each other.

This puts the product or service at the center of the marketing strategy, and the channels work to deliver that message individually. Since each channel functions separately, customers need to go to that specific channel to find the information they want.

In short, each channel in a multichannel strategy works individually and exists as a separate sales opportunity.

Multichannel or Omnichannel

Omnichannel also involves multiple channels for customer engagement. In the case of the latter, however, all those marketing channels are integrated with each other to create a unified experience for the customer across the board.
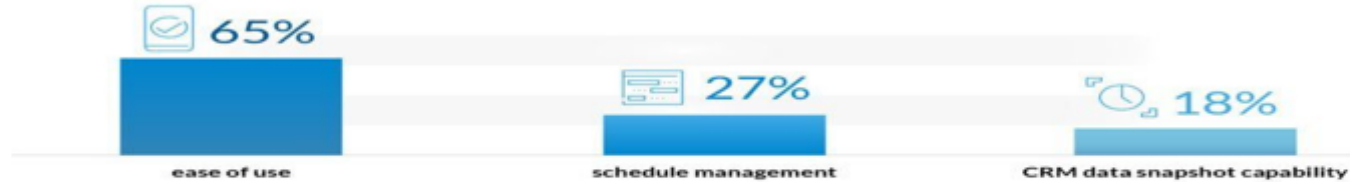
In other words, with omnichannel, the customer can seamlessly move between channels on their journey with your brand. Whatever marketing material they see when they visit your website, Facebook page, brick-and-mortar store, or any other channel, will be unified around a single message or concept.

CRM Importance

1 Crucial CRM features that professionals look for   Souce: Inside CRM

- 65% ease of use
- 27% schedule management
- 18% CRM data snapshot capability

2 ROI benefits experienced by businesses using CRM systems   Source: IBM

- 74% improved customer relationships
- 65% increased sales quota
- 50% improved productivity
- 40% labor cost reduction

3 Benefits of using mobile CRM applications   Source: Forrester Research

- improvement in sales — 87%
- increase in customer satisfaction — 74%
- improvement in business process efficiency — 73%

Most Valuable softwares Worldwide on 2021

CRM
56.55%

Financial planning
26.46%

Portfolio management
15.46%

Trading/rebalancing
4.60%

Investment analytics
3.71%

Risk tolerance
2.27%

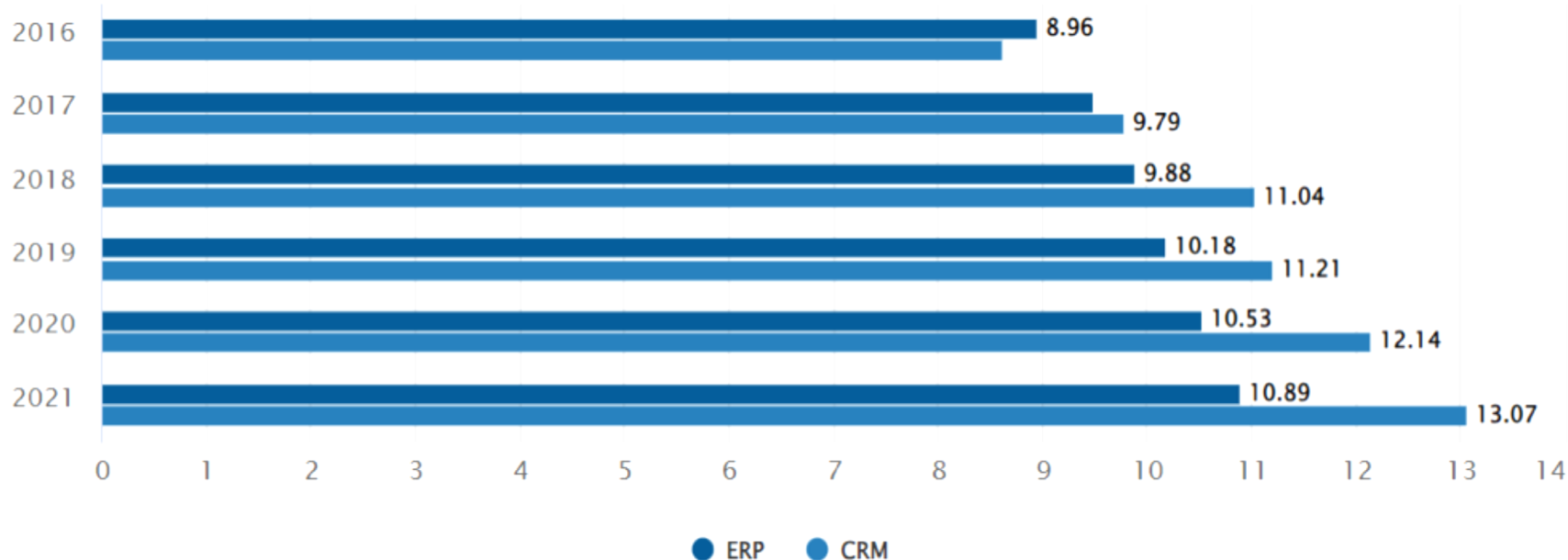**Document management**
1.99%

CRM Future ?

Predicted **global CRM software market** growth may reach

$43.5 BILLION

by 2024.

CRM

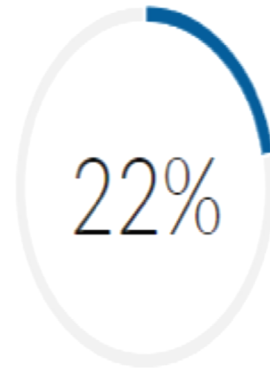# ERP &CRM Market revenue in Europe 2016-2021

(in billion USD)

Year	ERP	CRM
2016	8.96	
2017		9.79
2018	9.88	11.04
2019	10.18	11.21
2020	10.53	12.14
2021	10.89	13.07

● ERP ● CRM

Impact of Mobile CRM on sales productivity

65%

Companies with mobile CRM that achieved sales quotas

22%

Companies without mobile CRM that achieved sales quotas

02

Customer
Loyalty

Loyal people are rare; hold
them close.

Customer Loyalty

- Customer loyalty is an **ongoing positive relationship** between a **customer** and a **business**. It's what drives repeat purchases and prompts existing customers to choose your company over a competitor offering similar benefits.

- One way to look at loyalty is in the context of brand. People are loyal to a brand because they **associate it with a positive experience**, such as great customer service, feeling connected to brand values and ideals, or consistently high product quality.

How it could be happen?

- It's not about an individual product or service – loyalty happens because of multiple positive interactions that build up a feeling of trust over time. It also doesn't mean that every interaction has to be perfect. Customer loyalty can withstand a few negatives, although too many will break down the strength of the connection.

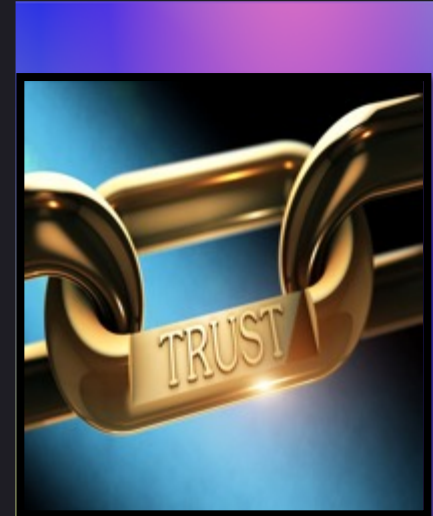- In fact, customers won't necessarily become disloyal from a poor experience, it's about how well the business handles that problem.
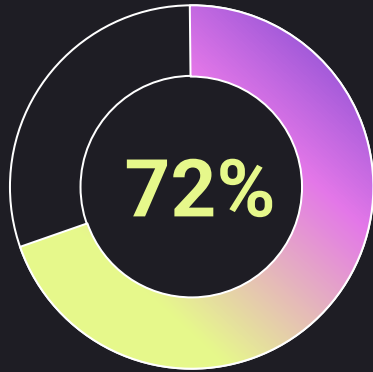
Trust me !

- As Leonie Brown, Qualtrics XM Scientist, says:

People who had a bad experience with a brand, but the brand fixed it, are more loyal than customers who never had a problem in the first place. That's because it involves trust.

- "Customer loyalty is the intention of continuing the relationship," says Leonie. "Now when you measure loyalty, the key is to work out whether that means anything. If you're thinking about the financials, it's about share of wallet – how much do people spend with you on a regular basis?"
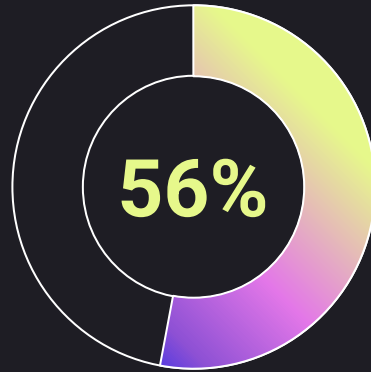
Brand Loyalty is not an option
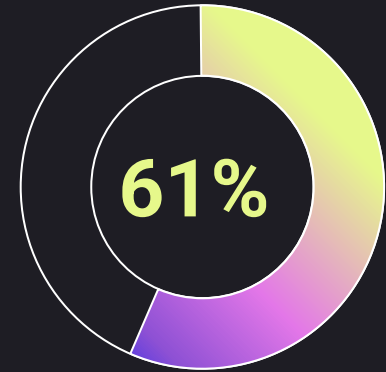
88%

Consumers

say it takes three or more purchases to build brand loyalty (**Yotpo**)

62%

Consumers

spend more money on a brand after signing up for a paid loyalty program (**McKinsey**)

42%

Brand Excutives

think their customer loyalty strategies are effective (**Harvard Business Review**)
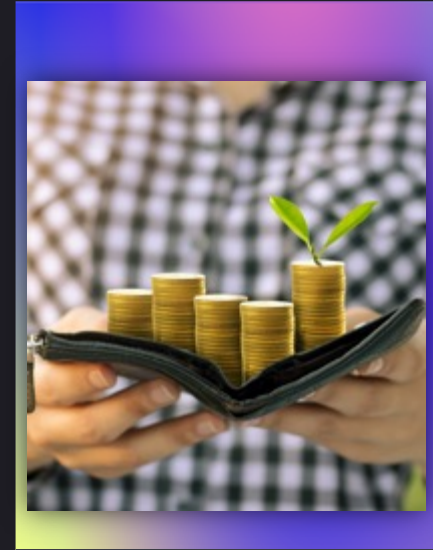
60-70%

Repeat customer

has a chance of converting.
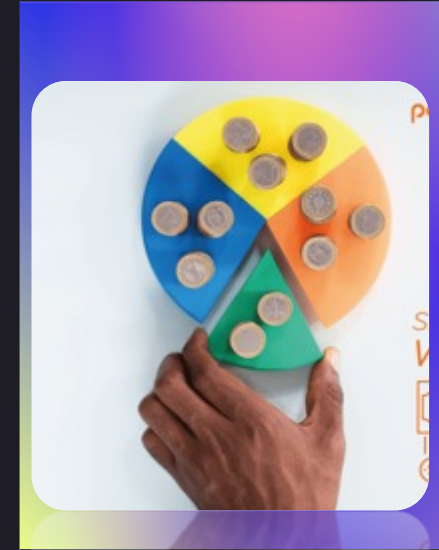
Share Of Wallet (SOW) 1/2

- Share of wallet (SOW) is the amount an average customer regularly devotes to a particular brand rather than to competing brands in the same product category.

- So, for example, some industries like supermarkets, people are not particularly loyal despite getting quite a large percentage of your share of wallet.

Share Of Wallet (sow) 2/2

- They may shop at the same supermarket every week, but they'll jump ship if they're offered a better deal elsewhere.

- So, customer loyalty is more than just whether people are spending money with you – it's about emotion and identity.

Loyalty & Identity 1/2

As you'd expect, types of loyalty vary quite significantly across different industries.

For example, if your business sells something called an identity product – that's very different from an insurance product.

The car that you own is an identity product. And the clothes you wear. Or the phone you carry. This is not necessarily about the amount of money spent. You're loyal to this company because you associate this product or brand with your personal identity."

Loyalty & Identity

- That's why brands do so much work on personas, explains Leonie. "Who are we trying to appeal to? And when brands lose sight of that, they tend to lose loyalty as well because they're not sure who they're selling to anymore."

- Customer loyalty is important for many reasons, not least because the effort of keeping a customer is substantially less than the effort of acquiring a new one. Why would you spend extra money to make a sale if you didn't have to?.
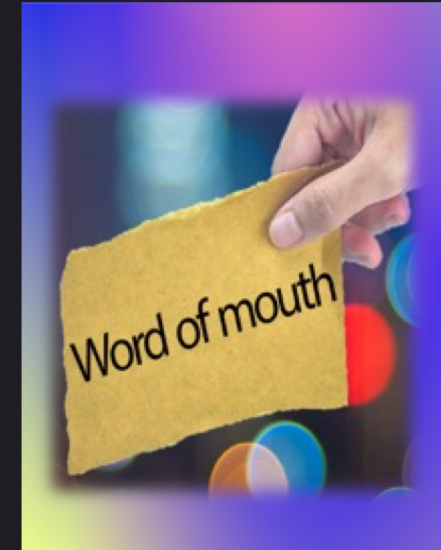
Brand champions

Beyond reaching for their credit cards, loyal customers can boost your business in other ways. Whether you think of them as brand champions, Net Promoters or heroes of word-of-mouth marketing, your happy customers all have the potential to bring more business to your door.

That may be by sharing their positive opinions about you on social media, leaving positive reviews or simply telling their friends and family.

Customer loyalty typically equates to high customer satisfaction. When there's high customer satisfaction, you can expect a lighter load on your support and customer service teams too.
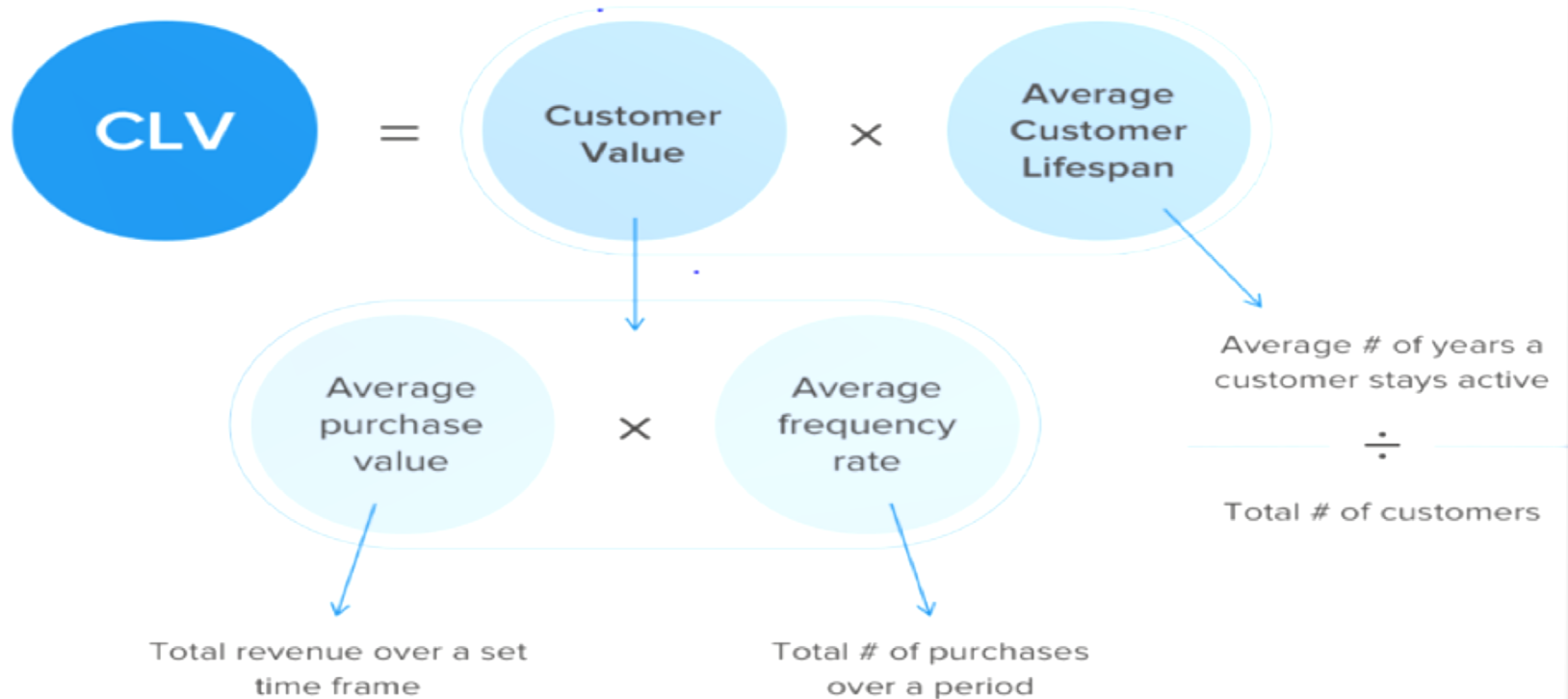
Loyalty Measurements

Customer Life time Value (CLV)

- Customer Lifetime Value (**CLV**) is an important metric for businesses as it helps you to see the value of a **long-term relationship**, rather than a single transaction. It's also tied directly to the company's bottom line, which makes CLV especially useful for marketers and customer success teams because it allows them to quantify the value of an organization's customer experience (**CX**) efforts.

- We've talked about customers being loyal, but in fact loyalty isn't an on-or-off, yes-or-no thing. **Some people will have stronger loyalty to your business than others**.

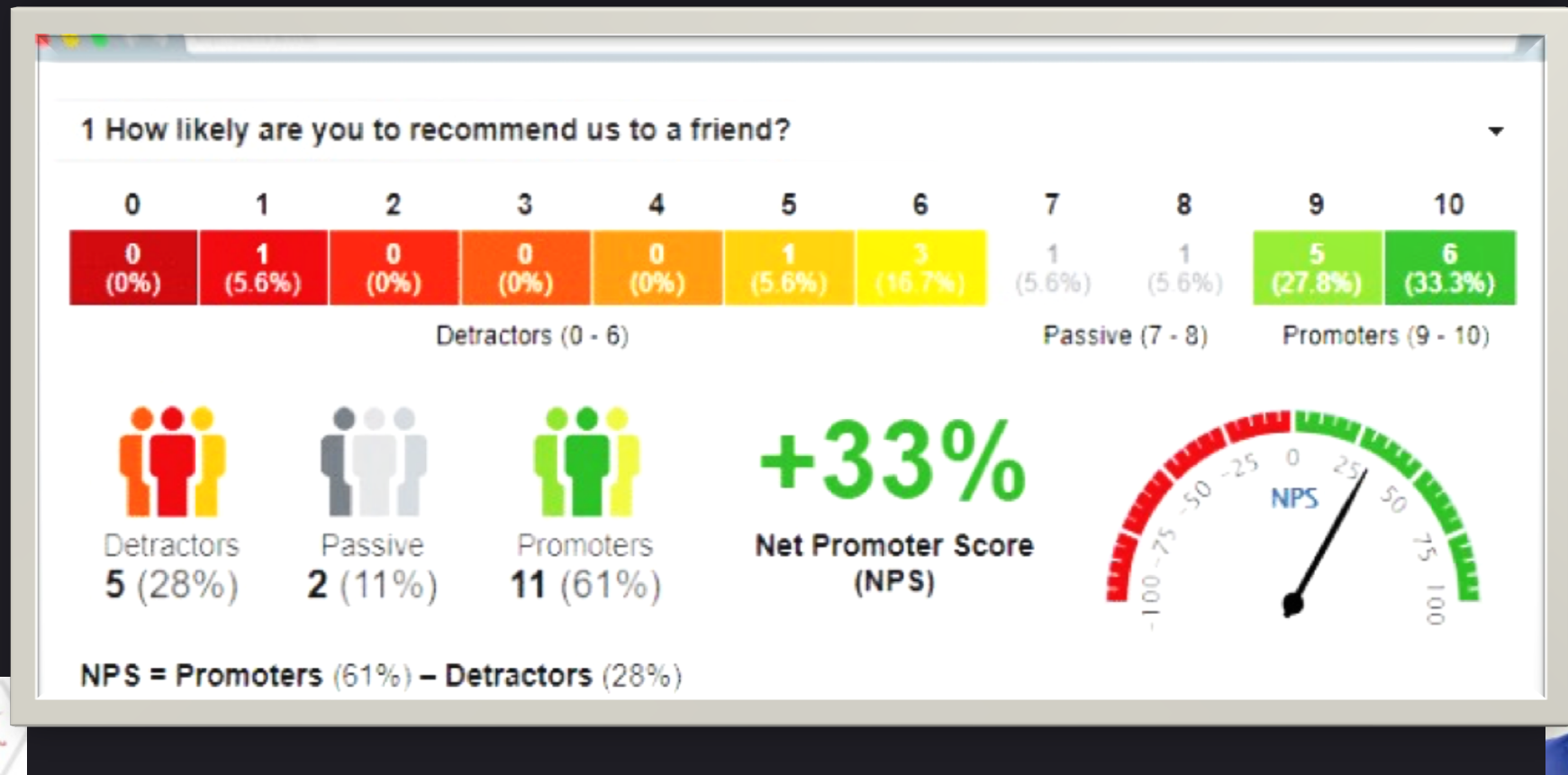Customer Lifetime Value

CLV calculation

Net Promoter Score (NPS)

- NPS is used widely across all kinds of businesses to inform marketing strategy and **monitor customer service and customer satisfaction**. One of its key strengths is that most people know what it is and what constitutes a good score. This makes it very helpful for communicating outside your CX team.

- The **higher your NPS, the greater the loyalty** you'll receive from your customers – and the better the outcome for you.

NPS SCORE

NPS Example

Brand Engagement

- How often do your existing customers visit your website, leave reviews of their products and services, or interact with your social media channels? Engagement can indicate enthusiasm for your brand and products, and it also shows that the customer believes you are listening to them and that their engagement is valued.

- Although it's not an absolute predictor of loyalty – **some repeat customers might buy faithfully for years but never write a review** – it can be helpful to look at engagement alongside other loyalty metrics to build out the overall picture.

Repurchase Rate (RPR)

- How many of your **customers are new**, and **how many are making a repeat purchase**? By tracking the numbers of customers who are new vs your repeat customers over time, you can see how the customer retention rate rises and falls.

- It's important to measure these figures as a proportion of the whole, rather than absolute numbers. Otherwise, a dip or rise in overall sales could present confusing results.

RPR calculation

Repurchase Rate (RPR) Formula

$$\frac{\text{\# of customers w/ more than once purchase (over a time period)}}{\text{total \# of customers (over the same period)}} = RPR$$

Multiple products purchases

- Someone buying a single product repeatedly over time is good news for your customer loyalty levels and your chances for customer retention. But if a **returning customer is willing to branch out to other items in your range, it could be even better**.

- A repeat purchaser who buys multiple products is likely to have **confidence in your business**. They don't just like that thing you make – they like the customer experience they had with you, and they're keen to explore more. When you're looking at repurchasing levels, keep an eye on how many of these customers are broadening their purchase range at the same time.
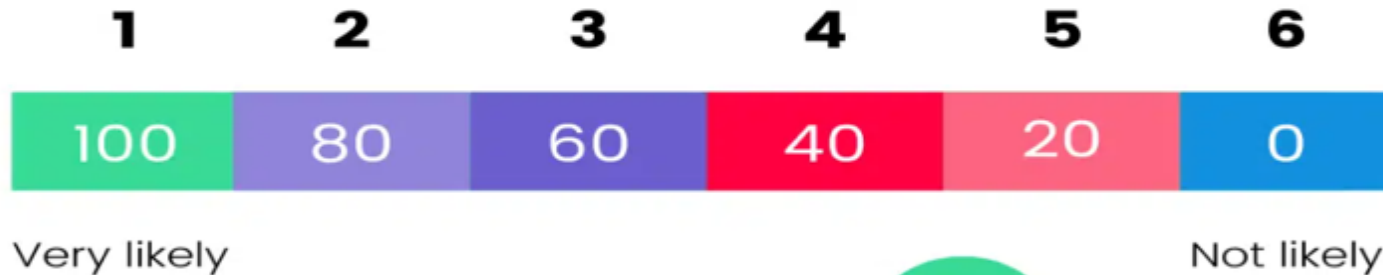
Customer Loyalty Index (CLI)

- Like NPS, this is a standardized metric that's derived from customer surveys and measures the strength of a customer's loyalty towards your brand. However, it has a couple more questions than NPS, as it also covers repeat purchases and multiple purchases.

- However, it's not a replacement for these measures, as it records the customer's intent for the future, rather than their actual behavior. Measuring of customer intention scores and comparing them to reality over the customer lifetime can help you build up a more useful picture.

CLI Example

promoter score survey:

- How likely are you to buy from us again in the future?
- How likely are you to try our other products?
- How likely are you to recommend us to a friend?

1	2	3	4	5	6
100	80	60	40	20	0

Very likely

Not likely

Customer loyalty index = 1 2 3

CRM Vs Loyalty

CRM

CRM focuses primarily on communications with consumers

Loyalty

loyalty can expand beyond the screen to create personal experiences.

Loyalty Excellence

How do you encourage customer loyalty?

Loyalty Excellence tactics

Customer Care

Great customer service

Personalization

consumers are willing to share data to get personalized experiences.

Employee experience

Starbucks for instance, where 87% of customer affinity for the brand is driven by how it treats its employees.

1 — **2** — **3** — **4** — **5**

Customer Journey

A true understanding of the customer journey

Loyalty Strategy

Long-term strategy, not short-term reaction
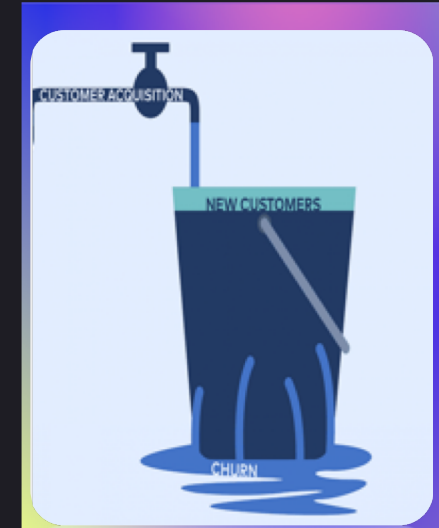
03

Customer
Churn

How to calculate, measure, and
stop losing customers

Customer Churn

- Customer churn, also known as customer attrition, is when **someone chooses to stop using your products** or services. In effect, it's when a customer ceases to be a customer.

- Nobody likes losing customers. Customer churn is a real problem across many industries, and the average churn rate can be surprisingly high. For some global markets, churn rates can be as high as **30%**.

Gain or Retain Customers?

- Customer churn can be expensive. **Customer acquisition costs** (CAC) for new customers are often significantly **greater than** the cost of **retaining an existing customer** base.

- Particularly in times of economic uncertainty, customers turn to trusted brands as they grow more cautious of spending. Your brand will need to work harder to retain customers and spend less on new acquisitions.

Customer Churn Rate Calculation

Why does customer churn matter?

Future

churn rate can be a strong indicator of future potential growth

Competitors

can snap up your market share

Customer

Dissatisfied customers negatively impact your brand

Cost

Existing customer costs less and delivers more value than acquiring a new one

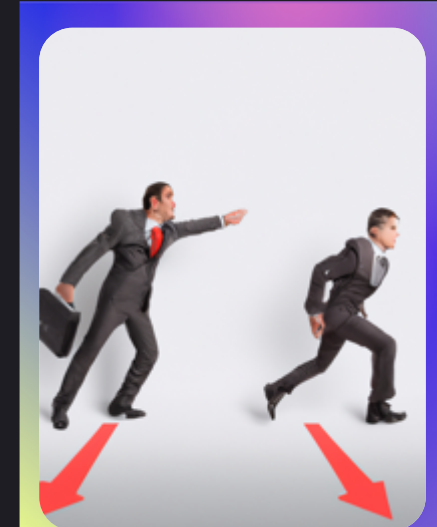# Causes of customer churn

<u>Your service isn't up to scratch :</u>

A rising customer churn rate can be an indicator of poor service, meaning you need to do some evaluation of your frontline teams. Good customer service shouldn't be reserved for new customers – your existing customers deserve great service too.

<u>Your product fit or market fit might be lacking</u> :

Your existing customers could be finding better solutions elsewhere, or perhaps you're targeting the wrong audience.
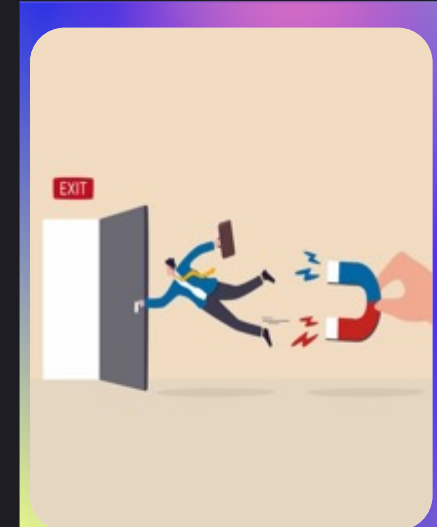
You don't understand your target audience well enough

More customers might be looking for new features that you're simply not providing – and that might be a new need that you're not aware of. The only way to understand your target audience well enough is to track customer feedback and engage with your customer base to know what they're looking for over time.

Your pricing isn't right

As the market changes and competitors challenge your offering, your customers might decide that your price isn't right – and they might leave as a result.
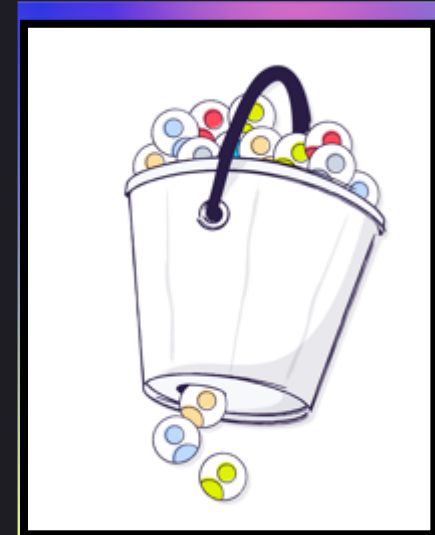
Causes of customer churn

<u>Your competition offers better services or products</u>

Even if your pricing is competitive, your competition might simply be more in touch with your target customer base. Trying to retain customers might mean evaluating what you're offering them in the context of your competition – not just at the beginning, but throughout their customer journey and your business trajectory.

<u>Your renewal offers aren't tempting</u>

When the time comes to renew a product or service, your customers might simply be deciding that your renewal offers aren't tempting enough when faced with other offers elsewhere. Customers pay for value, so make sure you're offering something that feels like a good deal.

Customer Churn Reduction

01 **Improving CX**

A great customer experience is one of the best investments you can make in customer acquisition as well as retention.

02 **Educating your customer**

giving customers the information and support they need to get the most out of your products and services.

03 **Rewarding loyalty**

Loyalty programs and discounts give your customers an incentive to keep coming back to you again and again

04 **Recognizing your best customers**

Recognizing and appreciating your MVPs (most valuable players) will help you make sure that they're not the ones who end up churning

05 **Listening to more than just top-level customer comments**

Make sure you take an omnichannel approach to listen, with analysis going deeper than surface-level words. Customer intent, emotion, sentiment, and drivers will help you spot when customers are thinking of leaving.

Forbes Data 2021

Loyal Customer

60-70%
Conversion Rate

84%
Redemption rate

Loyalty ROI

Non meaningful — Meaningful
71% Importance

1st Purchase — 2nd Purchase
75% Initiative

Not Influenced — Influenced
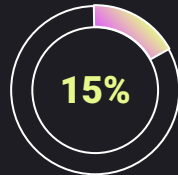**62%** Z Genes

Loyalty programs

42%
Brand Exceutives [th]ink their Loyalty [pr]ogram effective

90%
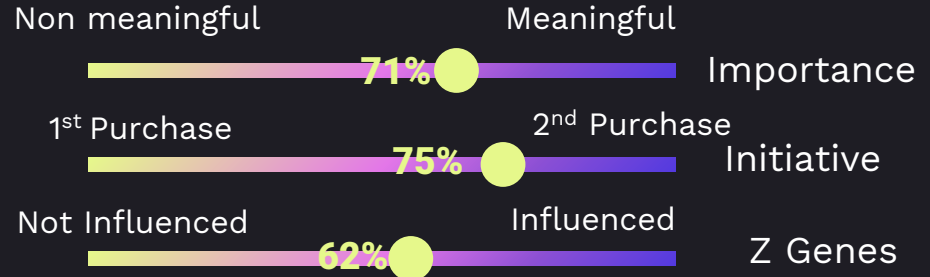of companies have loyalty program

15%
interact with their loyalty programs daily

Invest in customer experience

- Customer experience is made up of **every instance of connection between a customer and a brand**, including store visits, contact center queries, purchases, product use and even their exposure to advertising and social media.

- Improving the experience is a business-wide endeavor that's often addressed using a customer experience management program.

- This is a process of monitoring, listening and making changes that add up to a lasting improvement in how customers feel and their tendency to be loyal over the long-term.

Ensure your onboarding process is seamless

- Customer experience starts the moment a potential customer encounters your brand, but often companies can forget that **customers need care after the purchase**.

- Make sure your onboarding process is optimized for your customers' needs, and it's as simple and easy as possible for minimal customer effort.

- **Personalization** and communicating the extra value you provide to your customers should be a priority. You should also remember that how you treat your customers during the onboarding process is how they expect to be treated ongoing, so make sure your customer experience reflects this. Long-term.
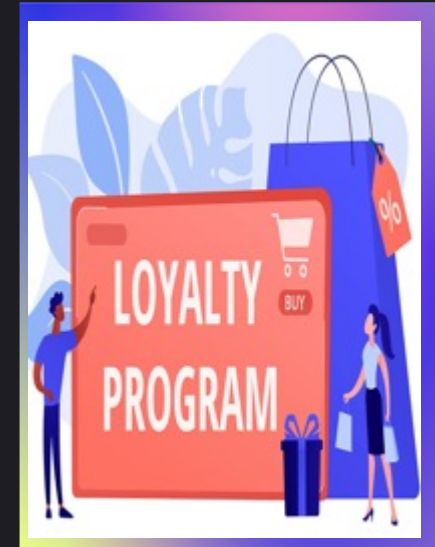
Start a loyalty program

- A loyalty program incentivizes repeat business by offering discounts or benefits in return.

- A loyalty program might take the form of a loyalty card or app, or a points system that customers accrue when they make a purchase.

- Although it's not a silver bullet for customer retention, a loyalty program can yield great results when it's planned and executed well.

Recognize and reward your best customers

- With your customer experience management program up and running, you'll already have some ideas about which customers are likely to have the best customer lifetime value.

- You can nurture your relationships with these individuals or groups using targeted marketing and special offers that recognize their loyalty.

- This could include free expedited shipping, top-tier benefits in your loyalty program, or access to exclusive or pre-release products and services.

Remember the power of social media

- Social media is increasingly important not only for customer communication, but for customers to gather information on your brand and public image.

- If customers feel as though your social media responses to a query or issue aren't fast enough, thorough enough, or empathetic, this will affect the opinion the customer has of your brand moving forward.

- Make sure you factor in social media – mentions, and responses into your customer experience strategy.

Provide omnichannel support

- Your customers will have a variety of preferences for how they engage with you, so your support channels need to reflect this.

- Do your research to find out which channels your customer base prefers, rather than just offering what you think they'll want to use.

- Get customer feedback on self-service options and frontline interactions to provide a great customer experience with omnichannel support.
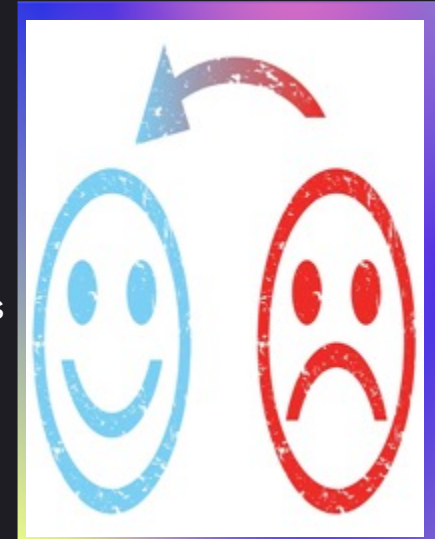
Close the loop with unhappy customers

- Closed-loop feedback is a powerful way to reduce unwanted churn and turn dissatisfied customers into newly loyal ones. In this model, businesses proactively reach out to detractors or complainants and intervene before issues can escalate and lead to a breakdown of the customer relationship.

- In many cases, this targeted effort and active listening on the part of the business makes the relationship stronger than it was originally.

- It's a valuable extension of your customer experience management program.

05

Inspirational
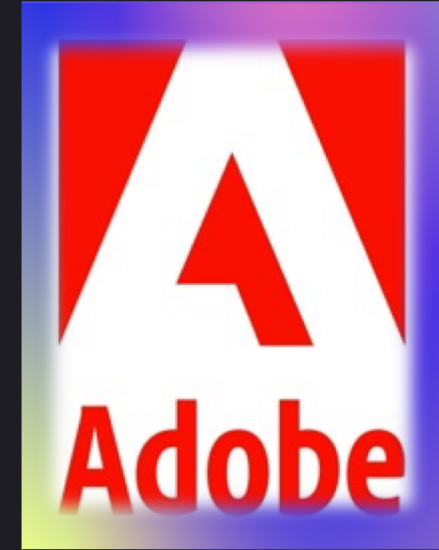
Customer Success Case Studies

Salesforce & Unilever

❑ Salesforce is a customer engagement management software that aids companies in organizing their sales, marketing, and customer service.

❑ One of their clients, Unilever, wanted to simplify and streamline their sales process. They implemented Salesforce's Sales Cloud, which **allowed them to consolidate their data and get real-time insights into their sales pipeline**.

❑ With the help of Salesforce, Unilever was able to increase its sales **productivity by 30%** and improve its **forecast accuracy by 20%.** They also gained greater visibility into their sales pipeline, enabling them to make better-informed decisions and improve their customer relationships.

Adobe & Prada

❑ Adobe is an American multinational software company that is best known for its creative software products, including Adobe Photoshop, Illustrator, InDesign, and Premiere Pro. These products are widely used by graphic designers, photographers, videographers, and other creative professionals.

❑ We all know about Prada! The story is about how this luxury fashion brand improved the online shopping experience for its customers. They turned to Adobe's Experience Cloud, a suite of tools for creating and delivering personalized content across different channels, to achieve their goal.
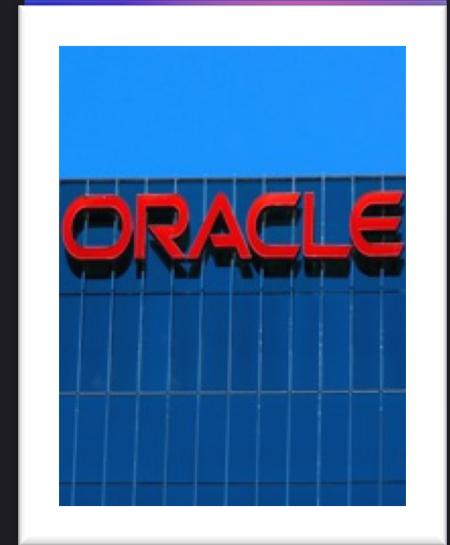
Adobe & Prada

❑ With Experience Cloud, Prada was able to **enhance its website with dynamic**, interactive features, such as 360-degree product views, that helped customers better **visualize and evaluate products before making a purchase.** Additionally, Prada was able to create **personalized product** recommendations and targeted marketing campaigns, based on customers' browsing and purchase history, to deliver a more tailored and relevant experience.

❑ The results were impressive. Prada saw a significant increase in online sales and revenue, as well as higher customer engagement and satisfaction. With Adobe's help, Prada was able to transform its online presence and provide its customers with a truly exceptional shopping experience.

Oracle & NESCAFÉ Dolce Gusto

❑ The Oracle Corporation is a global technology company that designs and promotes software solutions for businesses, particularly database management systems.

❑ NESCAFÉ Dolce Gusto (NDG) is a brand recognized for its delectable hot beverages, including coffee, tea, and more, and is owned by Nestlé

❑ **NDG uses email as its preferred marketing channel** to reach out to its **consumers** and **increase online revenues**. But in 2007, it realized that it required one special application that can optimize the email campaigns to plan better, increase customer reach, and craft more beautiful email content.

Oracle & NESCAFÉ Dolce Gusto

❑ NSG opted for Oracle, Eloqua, under Oracle's marketing applications Oracle Cloud CX. It helped them to **manage and refine their email campaigns to perfection**. One of the key factors behind NDG's decision to select **Oracle was its ability to integrate smoothly with different third-party eCommerce platforms** and run email campaigns across 60 markets, continuing to expand.

❑ Oracle Eloqua leads now account for one-third of the brand's eCommerce revenue, generating consumer traffic to 44 NDG websites. Over time, **nearly 20% of their customers have shifted from in-store to online, all thanks to Oracle**.

❑ NDG's **email** opt-in customer base has grown to **6 million, doubling its previous number**, resulting in a higher frequency of purchases and facilitating the introduction of new flavors in countries where NDG tested its loyalty app.
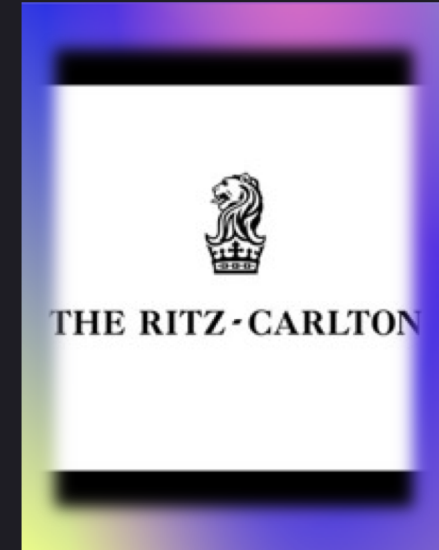
PUMA & Usain Bolt

❑ PUMA is a multinational corporation that specializes in the design, development, and manufacturing of footwear, apparel, and accessories for a variety of sports and casual activities.

❑ PUMA has a long-standing partnership with Usain Bolt, an eight-time Olympic gold medalist and world record holder in the 100-meter and 200-meter sprints. Bolt wore PUMA shoes and apparel during his record-breaking performances and has collaborated with the brand on several product launches.

❑ PUMA's innovative designs and high-performance products have helped Bolt achieve incredible success on the track and become one of the most iconic athletes of all time.
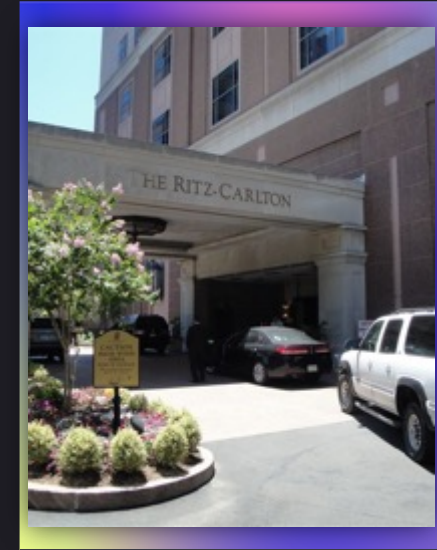
Ritz Carlton Hospitality 1/2

❑ The Ritz-Carlton is a luxury hotel and resort chain that has gained a reputation for exceptional customer service. One of the ways that The Ritz-Carlton stands out in the hospitality industry is through its focus on creating memorable experiences for its guests.

❑ While staying at the Ritz-Carlton, Bali, **a family arranged some special eggs and milk for their son who had multiple allergies issues.** However, upon their arrival, they discovered that the eggs had been broken and the milk had gone bad.

Ritz Carlton Hospitality

❑ Despite searching the nearby town, the **hotel's manager** and dining staff were unable to locate the required items. However, the **executive chef** at the resort had a stroke of luck and remembered a store in Singapore that stocked them. He contacted his mother-in-law and requested that she purchase the necessary products and travel to Bali to deliver them. She agreed to do so, highlighting the level of autonomy granted to Ritz-Carlton staff in delivering an extraordinary customer experience.

❑ The objective here is to develop a powerful emotional connection between the hotel staff and guests, to the extent that the guests will not think of staying in other hotels except Ritz-Carlton.