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1. Lecture 9 Slides  
Customer Relationship Management (CRM)  
CRM for marketing  
Buyer behaviour  
Search engines  
CRM tools
  2. Q&A for Individual Assignment

Basic idea

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CRM "Relationship"  
relating customer profile and behaviour  
to marketing opportunities and sales returns

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Slide 8 V.I.

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Definition:

Applying Internet and digital technology  
to acquire and retain customers  
by improving customer knowledge, targeting,  
service delivery and satisfaction

To measure the achievement about the objectives,  
(in the past)  
one may use Customer Satisfaction Survey  
(to ask about customer knowhow, wishlist, ranking  
of services, etc.)  
(nowadays)  
one should analyses the traffic and content of  
customers browsing on the Internet

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SFA: automates the planning for visiting/calling  
customers (based on historical sales records)  
CS: caller-ID-based systems to retrieve customer  
profile for CS officer to handle customer requests  
Sales process: assist sales persons to handle  
internal process more effectively

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Campaign management: keep records and evaluate the  
advertising, promotional activities, partners,  
cost, returns (results of the campaign)

Analysis:

"data warehouse" or "big data": large volume of data  
"data mining": retrieve data from the storage  
To identify customer practice, behaviour to events,  
wishlist, and conflicts about  
products and services

\*\*\* we know about the customers more than  
the customers know themselves \*\*\*

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For example: the market includes "free-style travellers"

Select: identify profitable customer segments  
based on demographic data and needs  
e.g. age, spending ability, locations to  
travel, types of travel

Acquire: reach the potential customers  
e.g. websites, promotions, competitions  
(photo contest)

Retain: engage customers to visit the websites  
frequently  
e.g. daily sign-on and get bonus points  
extra bonus points for each purchase  
or sharing with friends

Extend: develop cross- and up-selling  
e.g. travel insurance, local tourist  
attraction tickets, food and beverage  
coupons, etc.

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Some terms explained:

PPC Pay per click e.g. \$3 for 500 clicks  
max \$50 per day

SEO search engine optimisation

Good for use in individual assignment

===== Question concerning the assignment =====

"Introduction": To explain the purpose of the report  
and the sub-sections of the report

"Background": To explain the business background,  
the nature of business, the position  
in the industry, and the basic business  
operations

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Example:

Online-to-offline (O2O) is a common trend that retail  
business owners are considering in order to keep the  
business running for an extended period of time.  
This report is to review the problems of XXXX company  
and recommend solutions to the business owner. The  
report states the business operations, analyse the  
problems and impact, evaluate possible solutions  
based on digital business, and finally suggest ways  
to go forward.

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"Problem"            a description of something wrong  
"Impact"            negative effect if problem persists  
"Reason behind"    cause(s) of the problem

Example: (based on McDonald)  
  Problem: customers complaint of low quality of food  
          e.g. wrong products packed in delivery  
          service, late deliveries, etc  
  Impact: loss of customer support, loss of business,  
          business may close down, etc  
  Reasons behind: shortage of manpower, low wages,  
                  traffic vs scope of services, etc.

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Write a good quality analysis

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+ briefly state the concept / theory of key thing  
+ describe, in detail, how it can be applied to the  
  situation

Example:

  Online to offline (O2O): customers search over the  
  Internet to make decision of purchasing and go  
  to the retail to buy offline  
  For supermarket, loyal customers can place online  
  orders of products that may have limited stock or  
  may have unstable supplies. The systems notify  
  the customers to pick up the products once stock  
  are available. Basically, the customers have  
  reserved and ensured the supplies of desired  
  products.

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On-page meta data (internal information of a web page)  
  content (information shown on a web page)  
  [ e.g. photo.alexlokopen.net ]

Off-page

  external links: links to other web sites  
  back links: links from other web sites  
  internal links: links to other web pages of own web  
                  site

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Rating of each "factor" to increase popularity of a  
  web site

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"paid search" a fee paid to the search engine company for showing my website in relation to a keyword in a higher priority

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1. Search engine builds own index of keyword on daily basis based on available web sites on the Internet e.g. "The Princess Taiping, Stanley" found in photo.alexlokopen.net
2. User search for web sites using keyword BUT actually search the index of the search engine only
3. The search results shown on the search engine may have "dead link" because the index has not been updated

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RFM Analysis

If you have only one chance to call one customer to meet your sales target, who will you call? C

Customer A RFM=5,5,5

Customer B RFM=1,1,1

Customer C RFM=1,5,5