Six steps to successful customer relationship management

By Eben Esterhuizen   16 Apr 2019

As Easter looms businesses are looking for powerful ways to promote their goods and activate more sales. This should include beefing up customer relationship management (CMR) systems to streamline communication with potential clients and encourage more sales. Here are six steps to sprucing up your CRM and captivating customers at every touch point along the way.

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1) The Definition of CRM

> *"Marketers' relentless focus on customer experience has pushed customer relationship management (CRM) into the background." Marketing Week*

CRM is defined as the technology for managing a company's relationships and interactions with customers (and potential customers). It can be seen as "boring and functional" compared to the new technology and bells and bots of the customer experience (CX) but without having the basics of CMR right there's no solid foundation to communicate, build on and sell to customers.

2) Strategic CMR questions

> *"CRM is a customer database but it should be the glue that holds everything to do with the customer journey together." Tina Desia*

A few years ago *Harvard Business Review* defined four important questions which businesses need to ask themselves as they embark of CRM initiatives and they remain relevant today. They are:

- Is it strategic?
- Where does it hurt?
- Do we need perfect data?
- Where do we go from here?

3) Set a destination

> *"More than anything else, your CRM should help your company achieve its goals." Sales Force*

Once you've asked the strategic questions, focusing on goals allows you to identify ways of reaching the customers you have in your sights. Breaking down targets into bite sized chunks will make planning and mapping out the CRM journey easier. It helps to be agile here so that changes can be implemented where necessary.

4) Map the journey

> *"With revenues expected to reach over $80bn by 2025, it's no surprise that CRM is the fastest growing software market." Mark Taylor*

Have an integrated customer view – It's fundamental to have an overall behavioural analysis of the customer. This helps to prioritise them (new, returning, purchasing across segments etc) as well as credit scoring and making automated decisions on credit quickly and effectively.

Know your customer before they know you – CRM software can help identify a potential shopper by what they share via social media. This allows insights into customer needs, delivery expectations and future needs.

Involve employees – If your employees aren't in on CRM they are likely to respond to customer queries in the wrong way. In fact, according to SuperOffice.com when evaluating your CRM software options, it's best to give your employees the possibility to work anywhere and "on the device of their choosing". Customer service integration means employees are in on the sales specials being offered and can meet the shoppers' needs accordingly.

Stagger changes – This note by SalesForce speaks to the point above, cautioning against being too responsive when feeling pressurised to change technologies quickly, "Keep your workforce in mind, and whenever possible, introduce your new CRM policies gradually."

Continuous improvement – With reference here to Expert Marketing, while it's important to leverage maximum wallet share with customers, it is equally important to develop sales propositions to attract new ones. CMR helps you understand what's not working with your existing customer base and be an integral part of product development and a new target marketing lifecycle.

5) CMR and informal shoppers in SA

> *"There are about 120,000 informal spaza stores with sales estimated at between R100bn and R200bn." GG Alcock*

How can local businesses involve the large informal population of shoppers in their customer relationship journey? Lyse Comin's article "Informal sector vital part of SA's economy" investigates an insightful and informative book, *KasiNomic Revolution* by GG Alcock which has "captured the sophistication and size of the informal sector."
GG Alcock notes that in South Africa, "Informal sector businesses are designed to be completely fitted to people's needs based on lifestyle and it solves 'pain points'." In the same way, to capture informal shoppers, businesses need to align with their lifestyles and pain points.

6) Informal shoppers' lifestyle

> *"About 10% of people's budget is spent on transport so even if they see something cheaper in a Shoprite, they have to pay R7 or R8 to get into a taxi and they have to pay the penalty of an extra seat to bring the bags home."*

As the informal sector increasingly disrupting the formal sector, established businesses need to help meet more of the requirements of people shopping at spazas. As GG Alcock notes, "Municipalities, governments and financial institutions have to adapt their regulations, laws and products to suit the market, instead of knocking the hawker off the pavement. If we didn't have the informal sector we would have a revolution on our hands."

Here are two ways in which businesses are successfully tapping into the shared economy targeting the more "informal" shopper.

Loyalty programmes - A survey of the loyalty habits of 25,369 adults with a gross monthly household income of R10,000 or more showed 75% of South Africans are using loyalty programmes - with Clicks being the highest. The Clicks Clubcard has remained at the top as the most used loyalty programme at 72%, 12% points ahead of no.2, Pick n Pay Smart Shopper at 60%.

Those are impressive stats, but there's still room for more - the average South African is a member of nine loyalty card programmes, according to research and analytics company Eighty20. Offering great deals to loyalty programme customers will increase sales as well as potential new customer sign-ups.

Empower stokvels - As South Africa's R45bn stokvel industry grows, it would be wise for businesses to be in on finding solutions to the "pain points" of the nation's stokvel groups – which are estimated to be over 800,000. Examples of big business getting it right are Pick n Pay partnering with Absa to launch a new stokvel account and providing people with a safer and easier way to save.

Another innovative example is replicating the idea of a stokvel via a mobile app such as Franc – launched by Dr Thomas Brennan, the former head of digital innovation at Discovery Health. The app allows access to both the money market and an exchange-traded fund via people's smartphones.

I'm excited about the opportunities getting CRM right will afford businesses and consumers. We have an obligation to get to know our customers as well as we can and to give them the best deals possible. In the words of our president, "Above everything else, we must get our economy working again... Let us grasp our collective future with both hands."

ABOUT EBEN ESTERHUIZEN

Eben has over 20 years retail, pharma & FMCG experience in South Africa. He understands consumer & shopper behaviour patterns, and is an expert in CE. Eben is passionate about delivering bottom line success for brands in retail. A champion for innovation, as General Manager at The Pharma Group, Eben is continually developing both himself and his team to deliver excellence in the marketplace.
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