

# MARKETING AND RESEARCH

Lecture Title: Customer Relationship Management (CRM) and Marketing Planning.

Lecturer: Ms. Aysel Schembri  
Date: 18.03.2023



Undergraduate Diploma in  
Business Administration

# Lecture take aways

- Customer Relationship Management (CRM)
- How to build long-term relationships with customers
- Customer loyalty
- Marketing planning processes that focus on delivering value to customers.



# What is Customer Relationship Management (CRM)?



# Different definitions of CRM

- *CRM*- is an information industry term for methodologies, software and usually Internet capabilities that help an enterprise manage customer relationships in an organized way.
- *CRM*- is the process of managing all aspects of interaction a company has with its customers, including prospecting, sales and service. CRM applications attempt to provide insight into and improve the company/customer relationship by combining all these views of customer interaction into one picture.
- *CRM*- is an integrated approach to identifying, acquiring and retaining customers. By enabling organizations to manage and coordinate customer interactions across multiple channels, departments, lines of business and geographies, CRM helps organizations maximize the value of every customer



# Types of CRM

Type of CRM	Dominant characteristic
Strategic	Strategic CRM is a core customer-centric business strategy that aims at winning and keeping profitable customers
Operational	Operational CRM focuses on the automation of customer-facing processes such as selling, marketing and customer service
Analytical	Analytical CRM focuses on the intelligent mining of customer-related data for strategic or tactical purposes
Collaborative	Collaborative CRM applies technology across organizational boundaries with a view to optimizing company, partner and customer value

# Defining CRM

CRM is the core business strategy that integrates internal processes and functions, and external networks, to create and deliver value to targeted customers at a profit.

*It is grounded on high quality customer related data and enabled by information technology. (Buttle, 2009)*



# Steps in developing the exchange process

- Researching customer/ stakeholder needs
- Identifying, selecting and targeting particular groups of customers/ stakeholders who share similar discriminatory characteristics, including needs and wants.
- Developing an offering that satisfies the identified needs at an acceptable price which is available through particular sets of distribution channels.
- Making the target audience aware of the existence of the offering. Where competition or other impediments to positive consumer action exist, such as lack of motivation or conviction, a promotional program is developed and used to communicate with the targeted group.



# Communication channels

**TRADITIONAL MARKETING**

- 1 Limited Audience
- 2 Global Marketing
- 3 Non-Versatile  
(can not be altered  
once published)
- 4 Delayed  
Communication

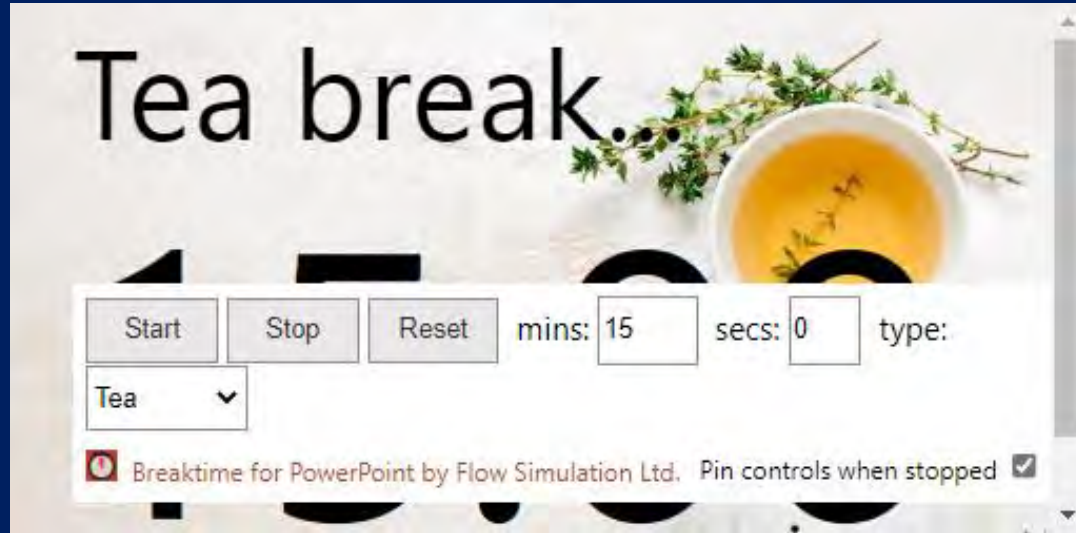
**VS**

**DIGITAL MARKETING**

- 1 Reach out  
to maximum people
- 2 Targeted or Client  
Specific Marketing
- 3 Versatile  
(can make changes  
in the advertisings)
- 4 Immediate  
Communication







Undergraduate Diploma in  
Business Administration

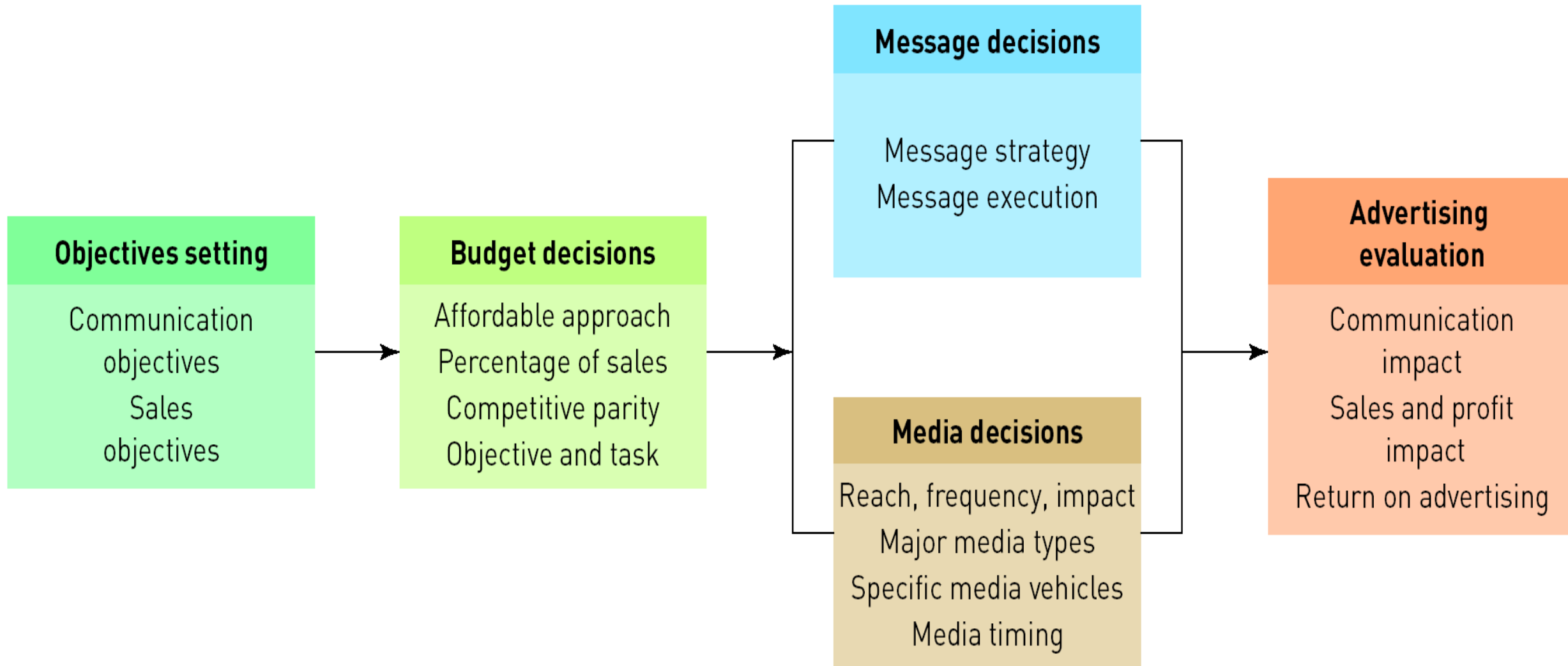
# Advertising

**Advertising** is non-personal paid for communications often targeted through mass media with the purpose of achieving set objectives such as:

- Build Awareness
- Induce a dialogue
- Position or reposition brands by changing perception / attitude.
- Development of competitive advantage
- Create an entry barrier



# Main Advertising decisions



# The most creative adverts examples

Undergraduate Diploma in Business Administration



Apple: Get a Mac (2006)



Procter & Gamble: Thank You, Mom (2012)

Anheuser-Busch: Whassup (1999)

Coke: Share a Coke (2011)







# Undergraduate Diploma in Business Administration





# Primary purpose of Advertising

Undergraduate Diploma in  
Business Administration

To inform

To persuade

To remind



# Developing Advertising Strategy

Undergraduate Diploma in  
Business Administration



Creating  
advertising  
messages

Selecting  
advertising  
media



# Group Task - Advertising

- Identify 2 case studies in which the Advertising strategy was successful and another one which was a failure - 30 minutes
- Provide an overview of the business -10 minutes
- Describe the advert – 20 minutes
- Why it was a success / failure? – 10 minutes



# What is public relations?

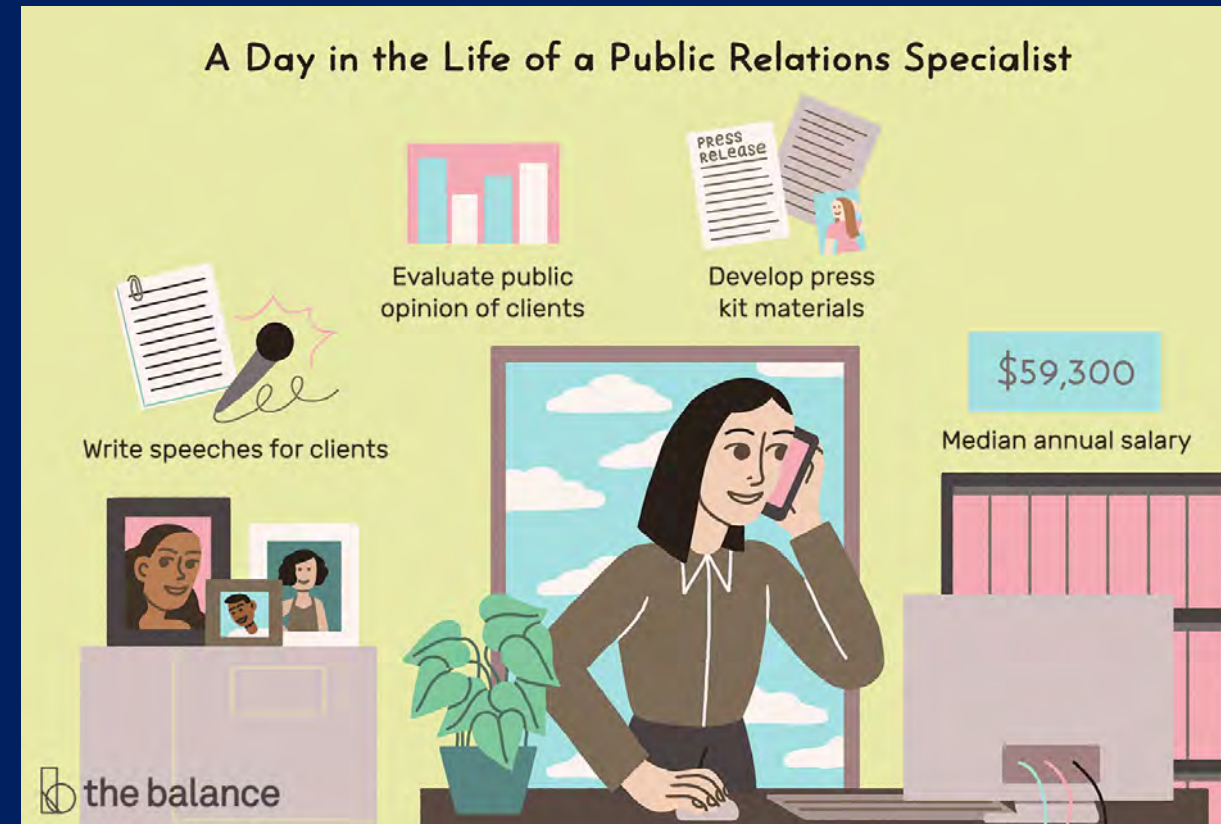
Public relations refers to building good relations with company publics by obtaining favorable publicity, building up a good corporate image, and handling or heading off unfavorable rumors, stories and events.



# Public Relations

Public relations is the planned and sustained effort to establish and maintain goodwill and mutual understanding between an organisation and its publics.

- Attempts to shape attitudes and opinions
- Used to communicate with all stakeholders
- Useful in profile strategy
- Used in crisis management



# Major public relations tools

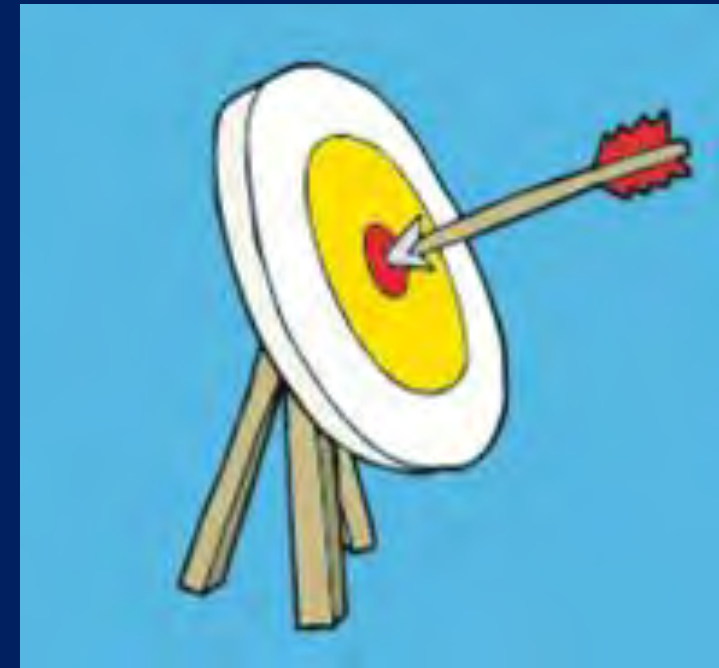
- News
- Speeches
- Special events
- Written materials
- Audiovisuals
- Corporate-identity materials
- Public service activities
- Sponsorship
- Buzz marketing
- Website



# Direct Marketing

Direct response marketing allows companies to reach out directly to specific customer groups in a personalized way. Doing so also eliminates any third party from the equation, saving precious time and costs that go into the campaign.

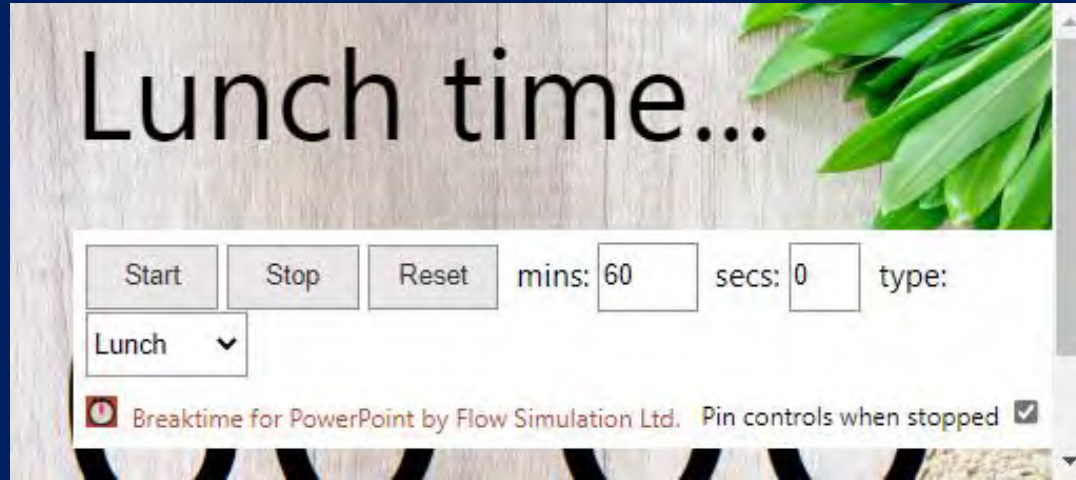
The most popular communication channels include catalog, fliers, phone call and text, postal and electronic mail, and social media.



# Benefits Of Direct Marketing







# Undergraduate Diploma in Business Administration

# Personal Selling

A face-to-face technique where a sales representative approaches a potential customer or the lead personally to sell a product or service. This technique is more common in the B2B arena, but it doesn't mean B2C companies don't incorporate personal selling in their overall selling strategies.



# Sales Promotion

Sales promotion consists of those promotional activities other than advertising, personal selling, and publicity. As such, any promotional activities that do not fall under the other three activities of the promotion mix are considered to be sales promotion. Businesspeople may use the term “promotion” when they actually mean “sales promotion.”

The common ones used are coupons, sweepstakes, games, contests, price-offs, demonstrations, premiums, samples, money refund offers, and gifts.



# The heart of marketing...

...customer  
relationships



# Today's customers have...

High service  
expectations

Low  
tolerance  
of poor  
service

Ways of  
spreading  
bad news

No problem  
complaining



# Understanding Customers



# Building long-term relationship

Long-term relationship with customers can result to:

- shared knowledge of the product's requirements
- adherence to quality standards
- common vision throughout the development and production process
- development of new products and services targeted to specific customer niches.



# Loyal Customers

- WOM recommendations
- Pay more
- Buy more
- Not buying from competitors
- High lifetime value





# Ladder of Loyalty



- **Partner:** Someone who has the relationship of partner with you.
- **Advocate:** Someone who actively recommends you to others, who does your marketing for you.
- **Supporter:** Someone who likes your organisation, but only supports you passively.
- **Client:** Someone who has done business with you on a repeat basis but may be negative, or at best neutral, towards your organisation.
- **Purchaser:** Someone who has done business just once with your organisation.
- **Prospect:** Someone whom you believe may be persuaded to do business with you.

Source: Christopher, Payne & Ballantyne, *Relationship Marketing*



# Marketing Planning Process

## Company analysis

- Goals
- Focus
- Culture
- Strengths
- Weaknesses
- Market share

## SWOT Analysis

- Internal –Strengths and Weaknesses
- External –Opportunities and Threats

## Customer Analysis

- Number
- Type
- Value Drivers
- Decision process
- Concentration of customer base for particular products

## Collaborators

- Subsidiaries
- Joint Ventures
- Distributors

## Climate –PEST Analysis

- Political
- Economical
- Social and cultural
- Technological



# Marketing Planning Process

## MARKET SEGMENTATION

- Segment analysis
- For each segment, relevant information is listed
- Description
- Percent of sales
- Benefits sought
- Product use
- Support requirements
- How to reach them
- Price sensitivity
- Stickiness to brand

## MARKETING STRATEGY RATIONALE

Listing and discussing alternative approaches and final recommended strategy

## MARKETING STRATEGY- 4Ps

- Product
- Price
- Place
- Promotion

## PROJECTIONS – SHORT TERM AND LONG TERM

- Sales forecasts
- Break even analysis
- Revenue forecast



# Group task

- What is your opinion of companies like Google, Facebook that gather information about your browsing patterns?
- What advantages and drawbacks does this pose for consumers?
- If you were a business owner, what kind of information would you gather on your customers and how would you use it?



# Marketing Planning Framework

Undergraduate Diploma in  
Business Administration

## I. EXECUTIVE SUMMARY

## II. ENVIRONMENTAL ANALYSIS:

- The Marketing Environment

## III. SWOT ANALYSIS

## IV. MARKETING OBJECTIVES

## V. MARKETING STRATEGIES

## VI. MARKETING IMPLEMENTATION:

- Marketing Organization
- Activities, Responsibility, and Timetables for Completion

## VII. EVALUATION AND CONTROL:

- Performance Standards and Financial Controls
- Monitoring Procedures



# Key Questions

**WHERE do  
I compete?**  
(Whole market?)

**WHEN do  
I compete?**  
(First into market?  
Wait for demand?)

**HOW do  
I compete?**  
(New product?  
New image?)



# Consumer Behavior: How People Make Buying Decisions

What Influences Consumer Behaviour?

Cultural Factors

Social Factors

Personal Factors





# Low-Involvement versus High-Involvement Buying Decisions

## HIGH

Usually purchase is infrequent, significant perceived risk

Customer actively seeks information

Customized decision process

## LOW

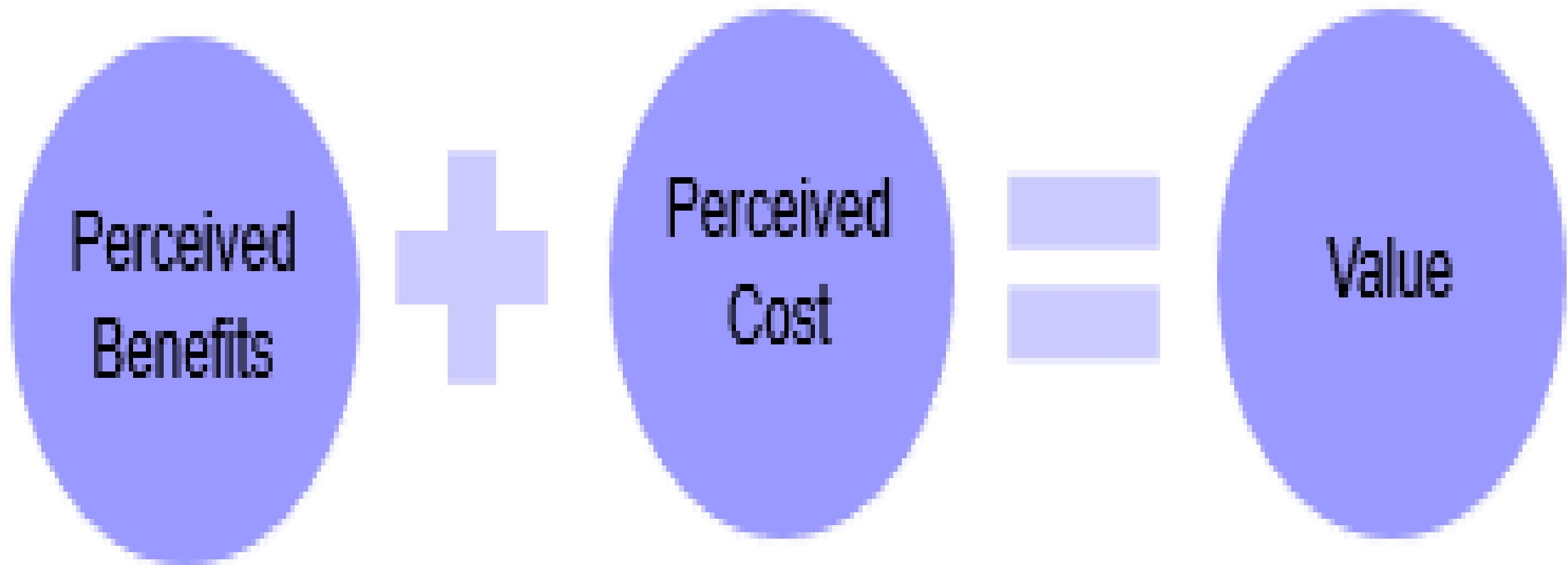
Usually purchase is familiar and / or inexpensive

Highly selective attention to information

Quick taken decision

Routine behaviour





# Delivering Value to Customers



# Customer Marketing

Customers want...



Good  
Product



Excellent  
Service



Value



What else?



# Customer Marketing

Customers want...



Good  
Product



Excellent  
Service



Value



Wow experience

# Value...



# Group activity

Think of a product /create a product

Create a framework for customer relationship management process

How would you make your customers become loyal to you brand?

What decision would you take when it comes to purchase?

How would you create WOW experience?





# Any Questions?



Undergraduate Diploma in  
Business Administration