ANALYTICAL CYCLE FOR CRM

OBJECTIVE OF THIS ARTICLE
At the end of this chapter, readers should be able to:
·   Define Analytical CRM
·   Explain how Analytical CRM is used to analyze and segment customers.
·   Explain the roles of Justifying, Planning, Drive and Metrics in analytical CRM.

Analytical CRM plays an important role in CRM. They are used in segmenting and targeting customers. Most importantly analytical GRM are used in justifying, planning and measuring CRM initiatives. In this chapter, we are going to look at how an analytical CRM is been to achieve these objectives.

1. **Justify**

Analytical CI{M can be used to justify the introduction of an initiative or to drum support for an initiative by the executives. In formulating a CRM initiative, you should be able to determine the initiative by which you will be able to determine your success. If one particular initiative meets up with the standard that you have set for your program, you can gather support for such an initiative.

Such metrics that you can use include assessing customer satisfaction, customer profitability customer retention, and sales and service delivery efficiency and effectiveness. You must also think of the benefits that is accrued to such programs. This must be presented to the executive management for approval.

1. **B**. **Plan**

CRM initiatives should be prioritized based on an evaluation of the organization's biggest problem and greatest opportunities. You must be able to analyze your profitability based on product, channel and customers which is an essential part of the planning process. This xviii help you in making decisions regarding resource allocation, product development and identifying your opportunities too.

DIAGRAM

Fig 25: Diagram showing criteria **for** *segmenting customers*

Planning must also take budgetary provision into consideration. This will give room for trade-off. For instance, you can sacrifice a product that is not moving well in the market for the ones that are well accepted by the people. It will also help the organization to establish priorities and allocate resources appropriately for specific initiatives.

1. **C**. **Drive**

Analytics drive CRM initiatives as it allows the organization to have a better insight into its customer's life. This knowledge helps the organization to segment its customers; the segmentation is done based on certain characteristics such as life stage, profitability products, demographics and information on customer behaviour gathered from each segment can be analyzed as this will allow the organization to come up with a model and predict customer behaviour.

Modern Customer Journey

Interest & Awareness	Search	Research	Purchase	Experience
Social / search advertising	Organic Search	Blogs & Articles	Website	Post-purchase expectations vs. reality
Email / text marketing	PPC	Reviews	Online booking	Social Post
Loyalty programs	Maps	Social Media	Purchase via app	Write a Review
YouTube / Video ads	Directories	Word of mouth	In-store purchase	Blog
Television	Apps			Word of mouth
Billboard	"Near me"		Salesperson	
Online display advertising	GPS		Marketing Materials	
Newspaper / Magazine				
Radio				
Word of mouth				

VENDASTA

Predictive modelling is essential to effectively target customers. Many campaign management vendors are combining segmentation and predictive modelling into a single solution, which Gartner has termed as "Relationship optimization". Profitability systems can also be placed into the marketing system so that it becomes a dimension for segmentation and analysis. As a marketing CRM executive, you have to continue to carry out analysis of your customers in real time and this must be compared customers profile in order to be sure of its authenticity

1. **Measure**

CRM initiatives must be measured on a regular basis in order to refine initiatives and to justify adoption. Organizations have to measure it in line with what was agreed upon in the beginning in order to be sure that the initiative is still relevant.

Such measurements will enable decision managers to make business decisions that will

enable them to understand customer behaviour, guide business strategy better manage resources, optimize channels, improve the product and maximize customer profitability. In order to do this effectively, it will require query reporting and group comparison capabilities.

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