Module 5: Data Analytics
Lesson 2 - Customer Relationship Management (CRM)

OVERVIEW

In this lesson, students will gain a fundamental understanding of the importance of CRM (customer relationship management).

OBJECTIVES

1. Explain how a business or brand can benefit from CRM.
2. Identify the five stages of the CRM process.

KEY TERMS

CRM (Customer Relationship Management)

This Lesson Bundle Includes:

- CRM - Lesson Outline
- CRM - Presentation Slides

Lesson 2 - Customer Relationship Management (CRM)

WHAT IS CRM?

CRM (Customer Relationship Management) is the process of managing interactions with customers, or prospective customers, throughout their entire relationship with a business or brand. CRM allows businesses and brands to leverage data to strengthen relationships with their customers by improving communications and improving the overall customer experience
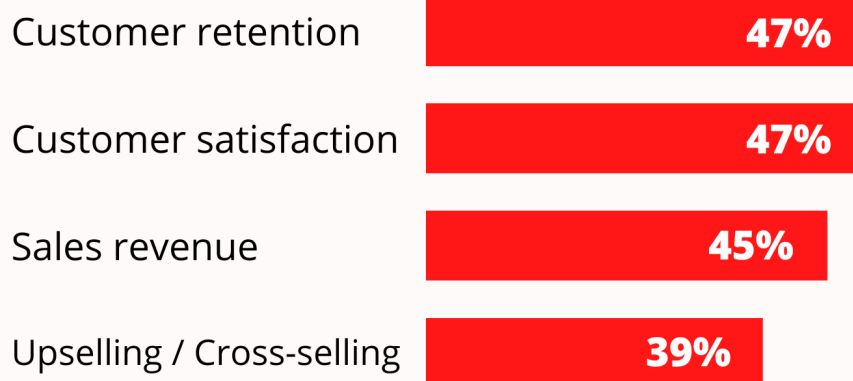
To better manage those interactions, many companies use CRM software. As more and more businesses establish data-driven marketing initiatives, building an effective CRM strategy becomes critical. Businesses of all sizes across every industry are turning to CRM solutions to help improve the overall business efficiency. As a result, CRM has grown into a multi-billion industry, with worldwide spending on CRM software expected to reach USD $114.4 billion by the year 2027.

CRM Functions

So how does CRM work, and what type of employees at a business might be involved in the CRM process? Many people in a business organization will be involved in the CRM process, including sales staff, customer service teams, business development professionals, recruiters, and marketers. Everyone within the organization can access a customer record instantly through CRM software programs, creating a more efficient and streamlined customer experience.

- **Contact management:** Store customer contact information
- **Tracking behaviors:** Monitor which emails have been opened and which links have been clicked
- **Sales automation:** Identify sales opportunities, and allow sales professionals to track the sales process
- **Customer support:** Track support tickets, and customer complaints
- **Database and email marketing:** Develop more effective, personalized marketing campaigns
- **Analytics and reporting:** Improve marketing, sales, and customer service efficiency

Which aspects of a business are significantly impacted by CRM?

Customer retention	47%
Customer satisfaction	47%
Sales revenue	45%
Upselling / Cross-selling	39%

Source: https://www.superoffice.com/blog/crm-benefits

marketing insights
from SCC

Benefits of CRM

CRM is an essential component of the core functionality of most businesses. When implemented successfully, CRM can help a business to increase sales, enhance marketing performance, and improve levels of customer service.

As we learned in the previous lesson, companies invest significant resources to collect consumer data. CRM functions in a way that allows those businesses and brands to analyze that data in a way that it can build better relationships with customers. Stronger relationships lead to higher levels of customer satisfaction, an increase in brand loyalty, increased sales and boosted revenues.

The CRM Process

Each of the five stages of the CRM process incorporates elements of marketing, sales, and customer service:

1. **Awareness and reach**
2. **Acquisition**
3. **Conversion**
4. **Retention**
5. **Loyalty**

1. Awareness and reach

In the first stage of the CRM process, a business or brand will build awareness and work to maximize the number of consumers that they can reach.

2. Acquisition

In the second stage, a business or brand acquires sales leads as potential new customers.

3. Conversion

In the third stage, a business or brand will convert those leads into new customers.

4. Retention

In the fourth stage of the CRM process, a business or brand works to retain those customers.

5. Loyalty

In the fifth stage of the CRM process, a business or brand will build brand loyalty with its existing customers, in an effort to increase referrals and acquire new customers.

KEY TAKEAWAY

CRM allows businesses and brands to use data they have collected to strengthen relationships with their customers by improving communications and fortifying the overall customer experience. To better manage those interactions, many companies use CRM software. When implemented successfully, CRM can help a business to increase sales, enhance marketing performance, and improve levels of customer service.

KEY TERMS DEFINED

CRM (Customer Relationship Management): The process of managing interactions with customers, or prospective customers, throughout their entire relationship with a business or brand.