

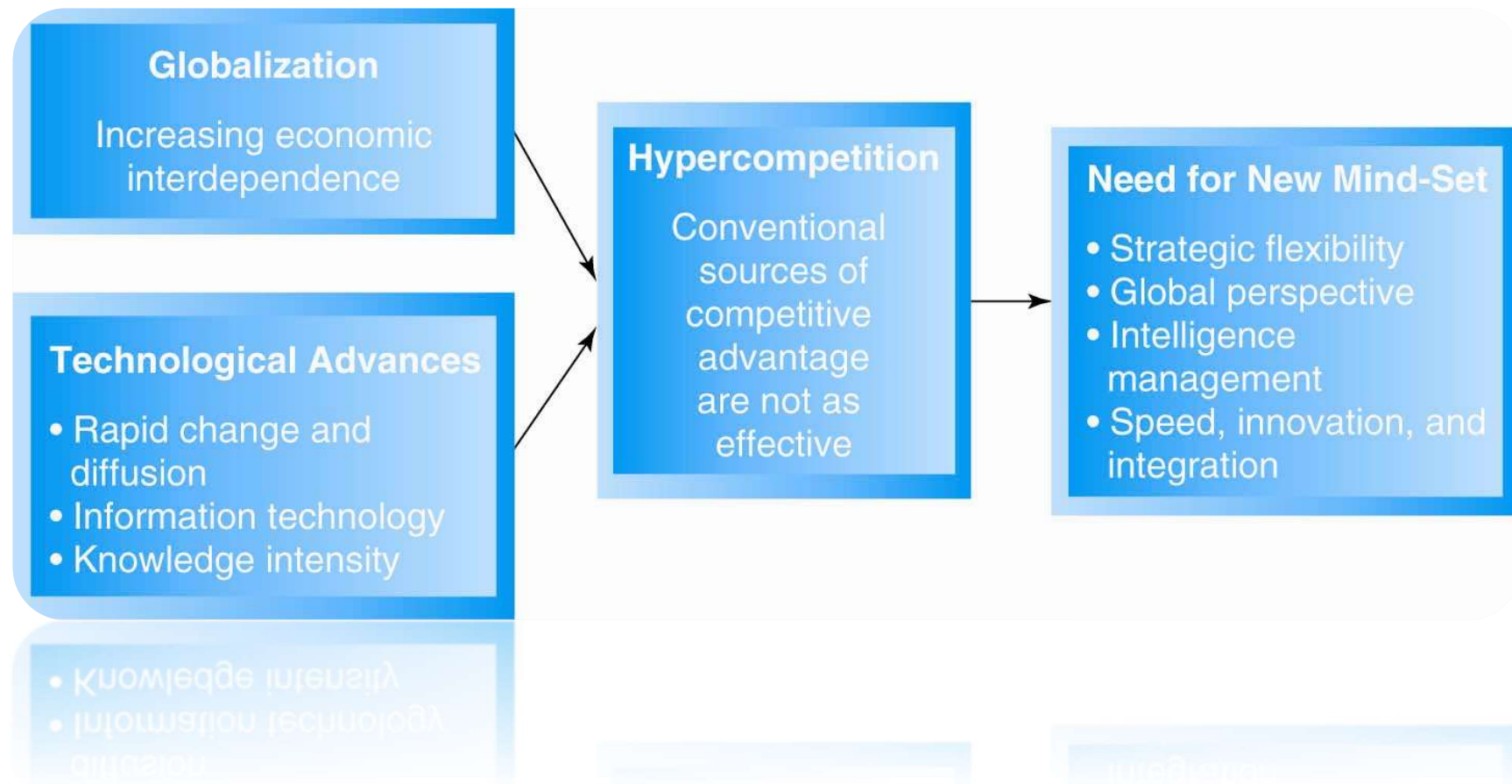
Customer Relationship Management - Frameworks and Applications

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27th April 2021

Opening Discussion

The New Game Rule for Global Business



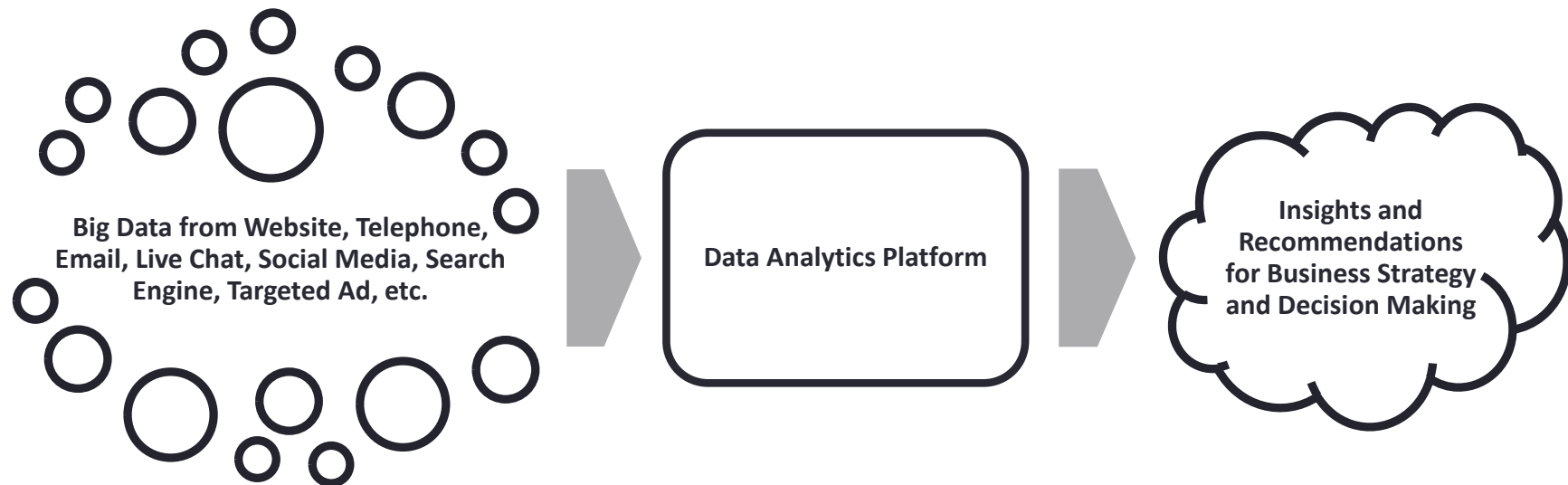
What is Customer Relationship Management (CRM)?

CRM is a business process in which an organization manages its interactions with customers, with the use of data analytics to study a large amount of information.

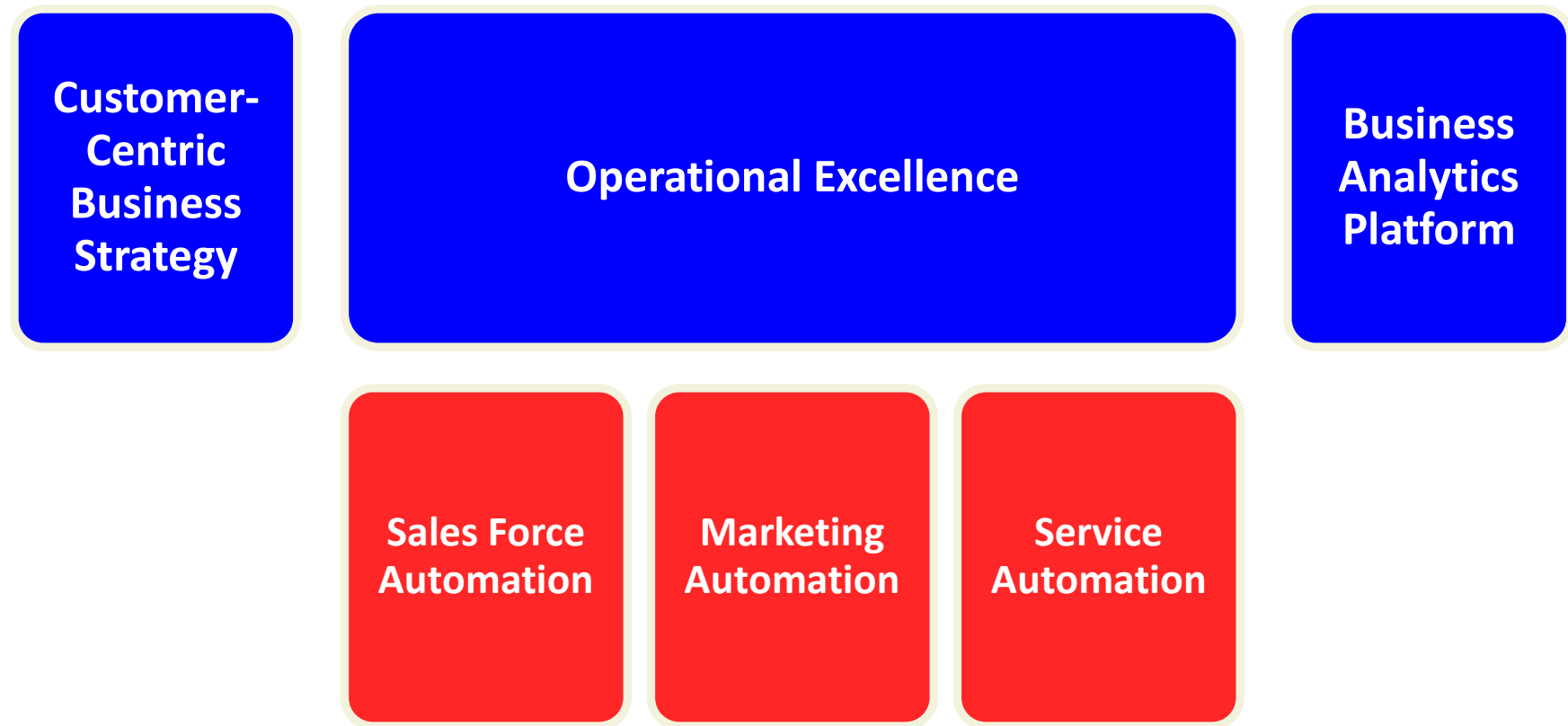
CRM systems compile and analyze data from different customer contact points, including website, telephone, email, live chat, social media, search engine, etc.

Provide insights about target audiences, predict their behaviors, and decide how to best cater for their needs, thus retaining customers and driving sales growth.

Flow of CRM Process



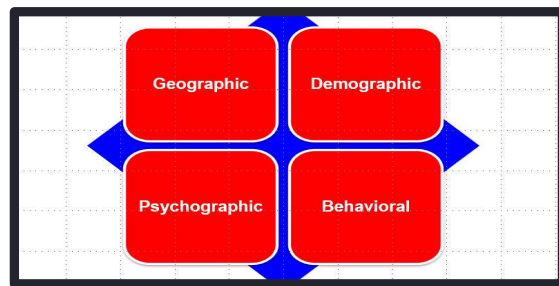
Core Components of CRM



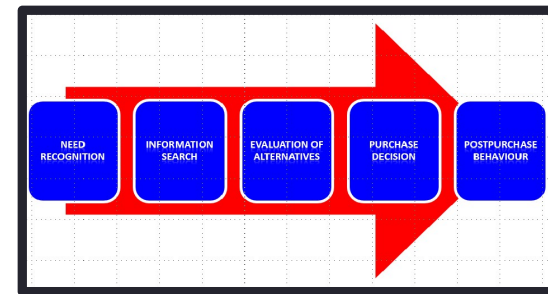
Business Objectives of Deploying CRM in a Corporation



Review of Two Important Concepts within CRM



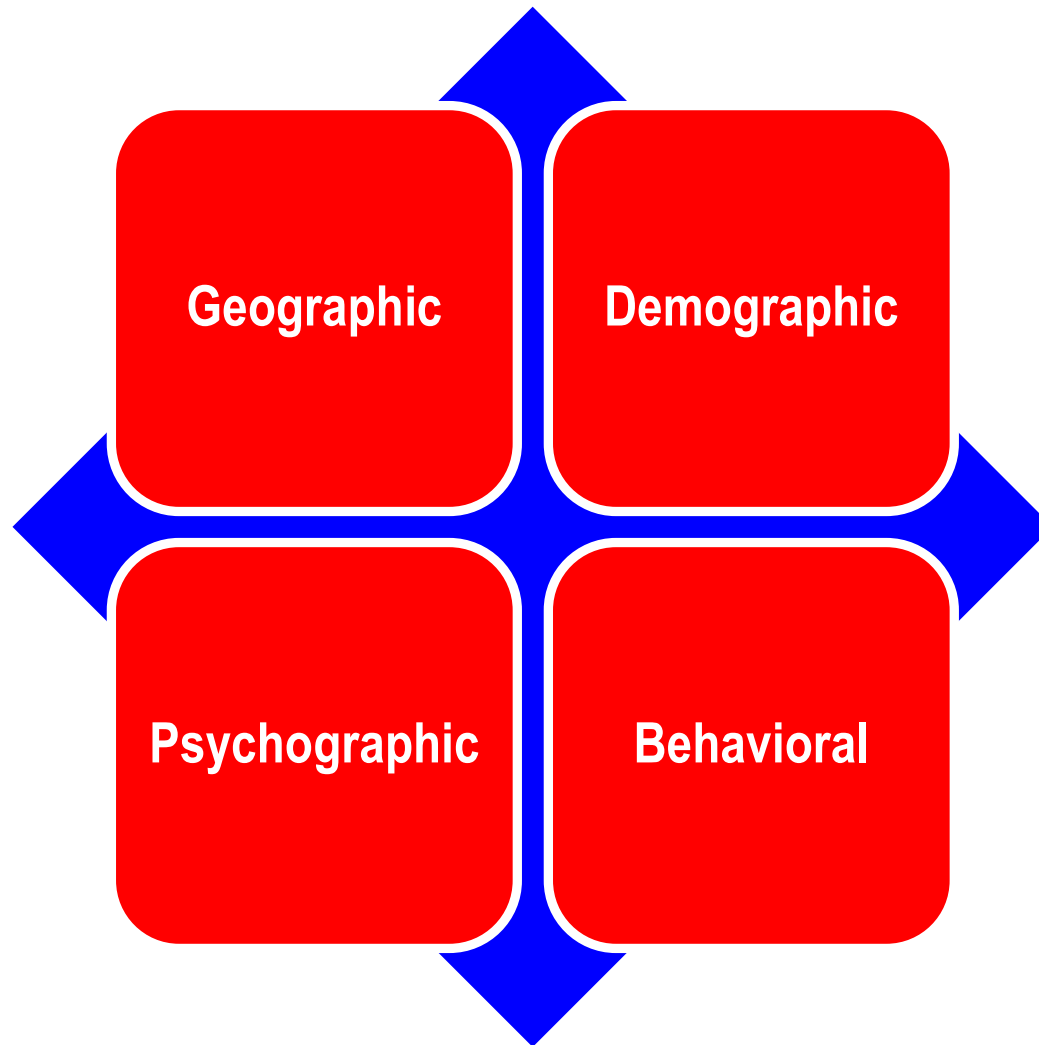
**Customer Segmentation
Strategy**



Customer Decision Process



Customer Segmentation Strategy



Major Segmentation Variables for Consumer Markets

Geographic

World region or country	South Asia, Southeast Asia, Middle East, China, Malaysia, India, Japan
Country region	North, South, East, West, Central
City or metro size	Under 5,000; 5,000–20,000; 20,000–50,000; 50,000–100,000; 100,000–250,000; 250,000–500,000; 500,000–1,000,000; 1,000,000–4,000,000; 4,000,000 or over
Density	Urban, suburban, rural
Climate	Equatorial, Temperate

Demographic

Age	Under 6, 6–11, 12–19, 20–34, 35–49, 50–64, 65+
Gender	Male, female
Family size	1–2, 3–4, 5+
Family life-cycle	Young, single; young, married, no children; young, married with children; older, married with children; older, married, no children under 18; older, single; extended family
Income	Under \$10,000; \$10,000–\$20,000; \$20,000–\$30,000; \$30,000–\$50,000; \$50,000–\$100,000; \$100,000 and over
Occupation	Professional and technical; managers, officials, and proprietors; clerical; sales; craftspeople; supervisors; operatives; farmers; retired; students; homemakers; unemployed
Education	No education, primary, secondary, higher education
Religion	Buddhist, Taoist, Christian, Muslim, Hindu, others
Race	Chinese, Malay, Indian, Thai, others
Generation	Baby boomer, Generation X, Generation Y
Nationality	Japanese, Indian, Thais, Malaysian, Chinese

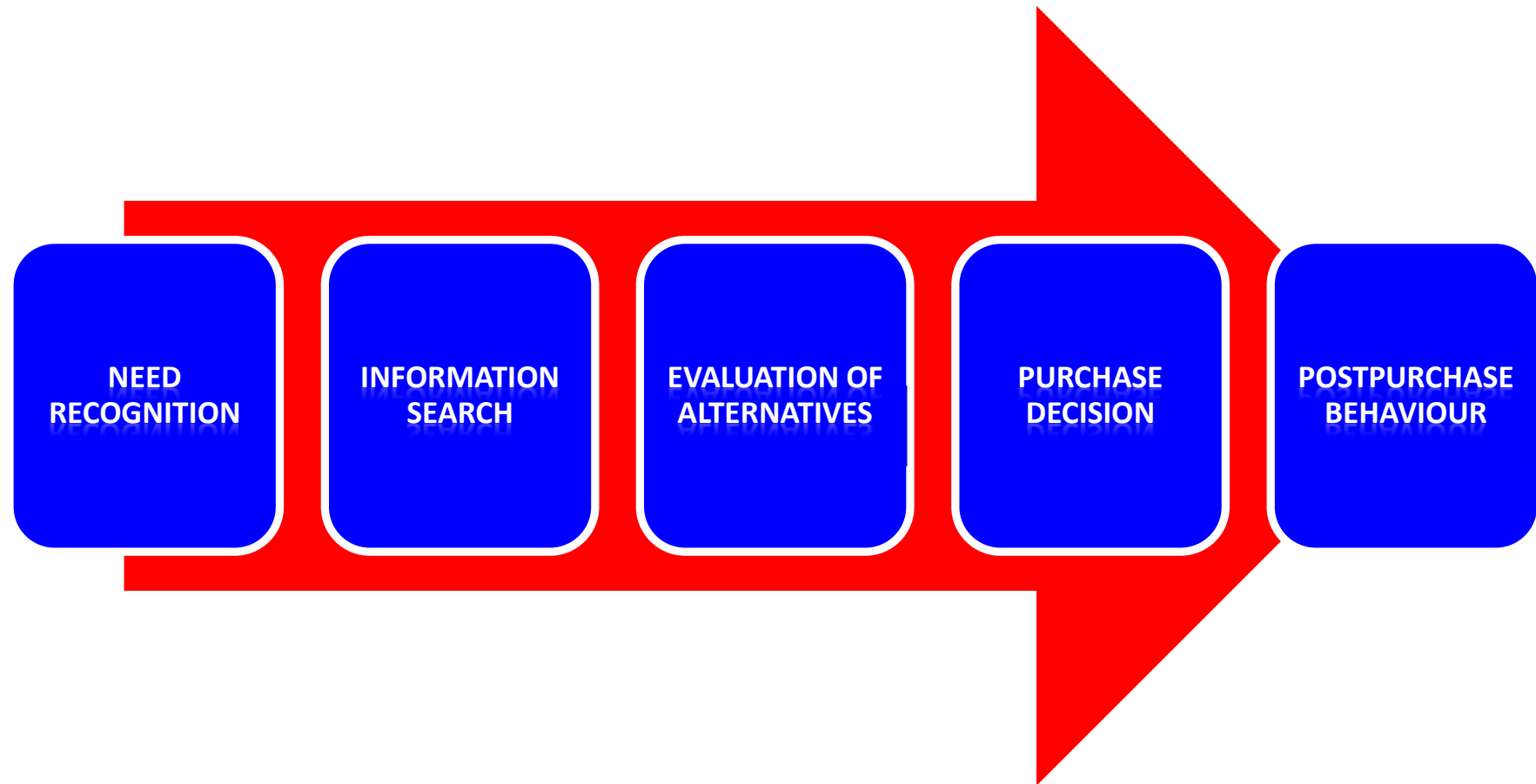
Psychographic

Social class	Lower lowers, upper lowers, working class, middle class, upper middles, lower uppers, upper uppers
Lifestyle	Achievers, strivers, strugglers
Personality	Self-effacing, gregarious, authoritarian, ambitious

Behavioral

Occasions	Regular occasion; special occasion
Benefits	Quality, service, economy, convenience, speed
User status	Nonuser, ex-user, potential user, first-time user, regular user
User rates	Light user, medium user, heavy user
Loyalty status	None, medium, strong, absolute
Readiness stage	Unaware, aware, informed, interested, desirous, intending to buy
Attitude toward product	Enthusiastic, positive, indifferent, negative, hostile

Customer Decision Process



Case Sharing: Ginza West

Company Background

Ginza West Company History

- **First café restaurant at Tokyo opened in year 1947 soon after World War 2**
 - Inviting a chef from Yusen, a luxury cruise liner during the peak of sailing days
 - Featuring “Evening with Classical Music” started in 1948
 - West became a well-known place where “sophisticated people” gathered together, instead of being just a parlor which served expensive coffee
- **Selling of biscuits¹ at the Ginza store of Tokyo since year 1962**
- **One of the most reputable café and biscuits chain outlets in Tokyo area**

¹ Assorted Butter Cookies

Ginza Parlor



Ginza Parlor



Aoyama Garden



Aoyama Garden



Biscuits Product Lines



Leaf Pie



Victoria



Gift Boxes E and F



Retail Outlet at Lee Tung Avenue





華麗 — 葉 東京貴族洋菓



沒有季節轉換的痕迹，一片閃着糖晶的樹葉濃郁的牛油芳香撲鼻，令人垂涎欲滴，那是West的招牌產品——Leaf Pie，樹葉餅1947年的品牌，在東京人心目中，跟糖晶一樣為她不單純是一家老牌洋菓子店，更是一個象徵社會的華麗名字。

■ Ginza West 創奇蛋糕「Victoria」盒套裝在高島屋、伊一是個非常有生意頭，倡節儉，他就把餐廳想到咖啡跟音樂結合，即將出版的唱片放到他的社交聚會點。

■ 貴為上流咖啡館貝多芬的雕像旁邊有咖啡的水來自山黑甜絲不苟的貼心服務，念時的蛋糕，也是請但基於私隱，店方請不要大呼小

堅持 • 手工



蛋糕由青山分店的餅房每日新鮮製造。Mosaic Cake \$27



現任社長依田一，舉止談吐，象一樣優雅。

鄭當選特首之後，馬不停蹄落區親民，又禮節拜訪多個機構，記者寸步難，採訪佢嘅一舉一動，點知昨天跟佢去到灣仔利東街，佢向記者派，唔係普通嘅餅，而係日本名牌手作曲奇GINZA WEST，獨立包裝每件或二十一蚊，好矜貴㗎。Kelly都幾鍾意呢個品牌，尤其係以牛油麵糰打二百五十六層烘焙嘅招牌「樹葉餅」，連日本首相安倍晉三都好like。

日本256層招牌「樹葉餅」

林鄭向記者派餅 安倍都like



林鄭昨天回母校嘉諾撒聖方濟各書院與師生交流之後，步行到利東街一間餅店買曲奇，唔係自己食，係當場送畀追訪佢嘅記者，不過當林鄭正想派餅時，班攝記為咗影相，人人向退後，搞到林鄭以為大家唔知做也，笑笑口咁話，「你哋做乜退後，畀你哋呀！」原來攝記盡忠職守，當然相機食先，自己食後啦。



■ 林鄭用咗成千蚊買曲奇

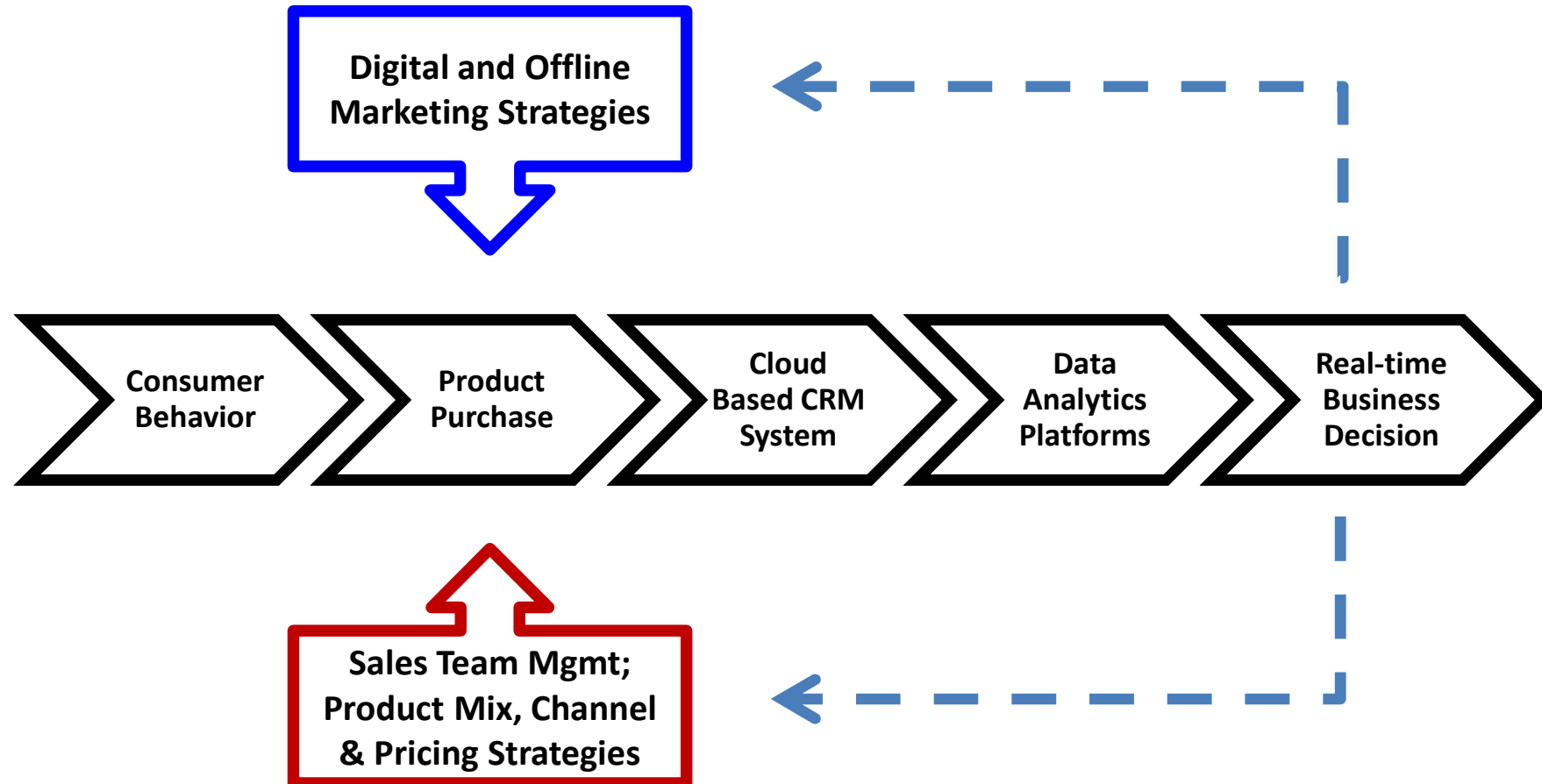
嘅當客，今次花咗成一千蚊，立包裝曲奇同雜錦禮盒曲奇，包括牛油麵糰摺疊成二百五十六層招牌「樹葉餅」，而獨立包裝每盒盛為二十一元。

GINZA WEST餅店大有一九四七年創辦，連日本首相、日本紅星渡邊謙都係fan，灣仔利東街設首間海外分店，日本空運到港嘅手作曲奇。本地手作曲奇品牌曲奇奇志輝(Joseph)，佢話外地遊客，當然相宜，成本較多，而多個本地「名牌」，每塊只售二至五元，品質其實好得，也有不少外國食客追捧，佢話有機，會都想邀請林鄭嚟試吓自家嘅手製曲奇。

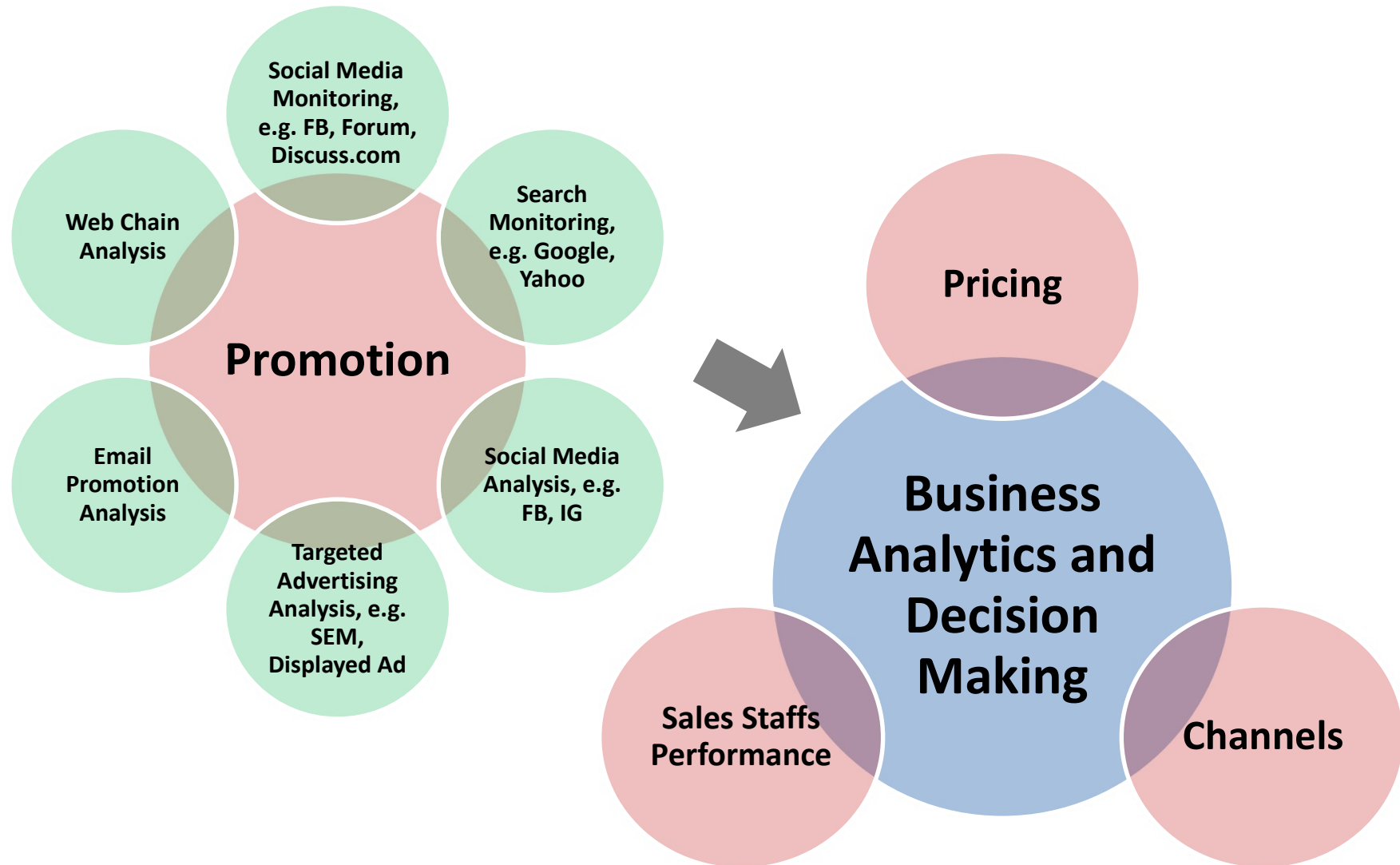
Kelly聽林鄭講，佢係GINZA

Business Analytics Flow and Components

Business Analytics Flow



Business Analytics Components



Examples of Data Blending, Data Analysis, Predictive Analysis and Visual Display Tools

Tableau



Sisense



Alteryx



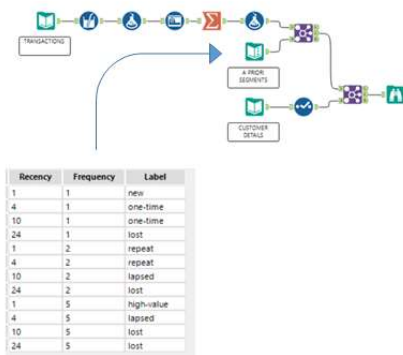
QlikView



RFM Customer / Product Clustering Analysis

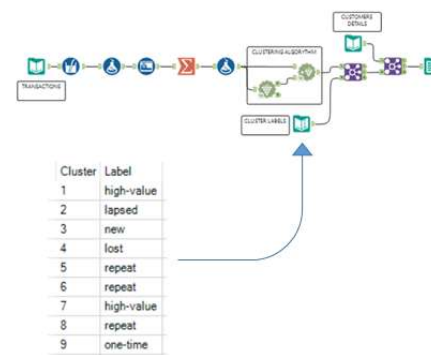
Set up thresholds manually

(eg. Customers with over 1M spend per year → high spend)



Run clustering algorithm

(and label created segments accordingly)



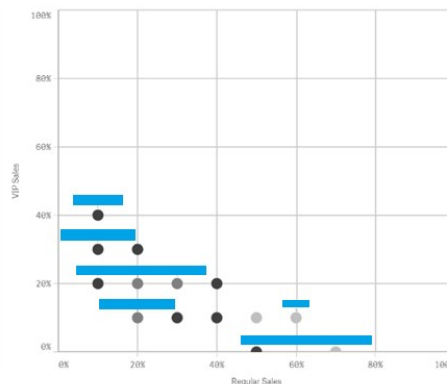
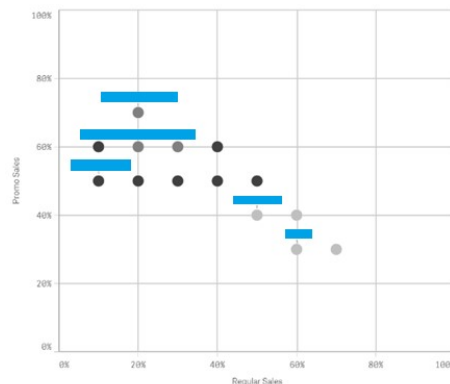
Cluster 1 – **core products**, majority is sold on regular sales, from all clusters has lowest promotion and VIP sales ratio, e.g. Leaf Pie

Cluster 2 – more promotional products than cluster 1

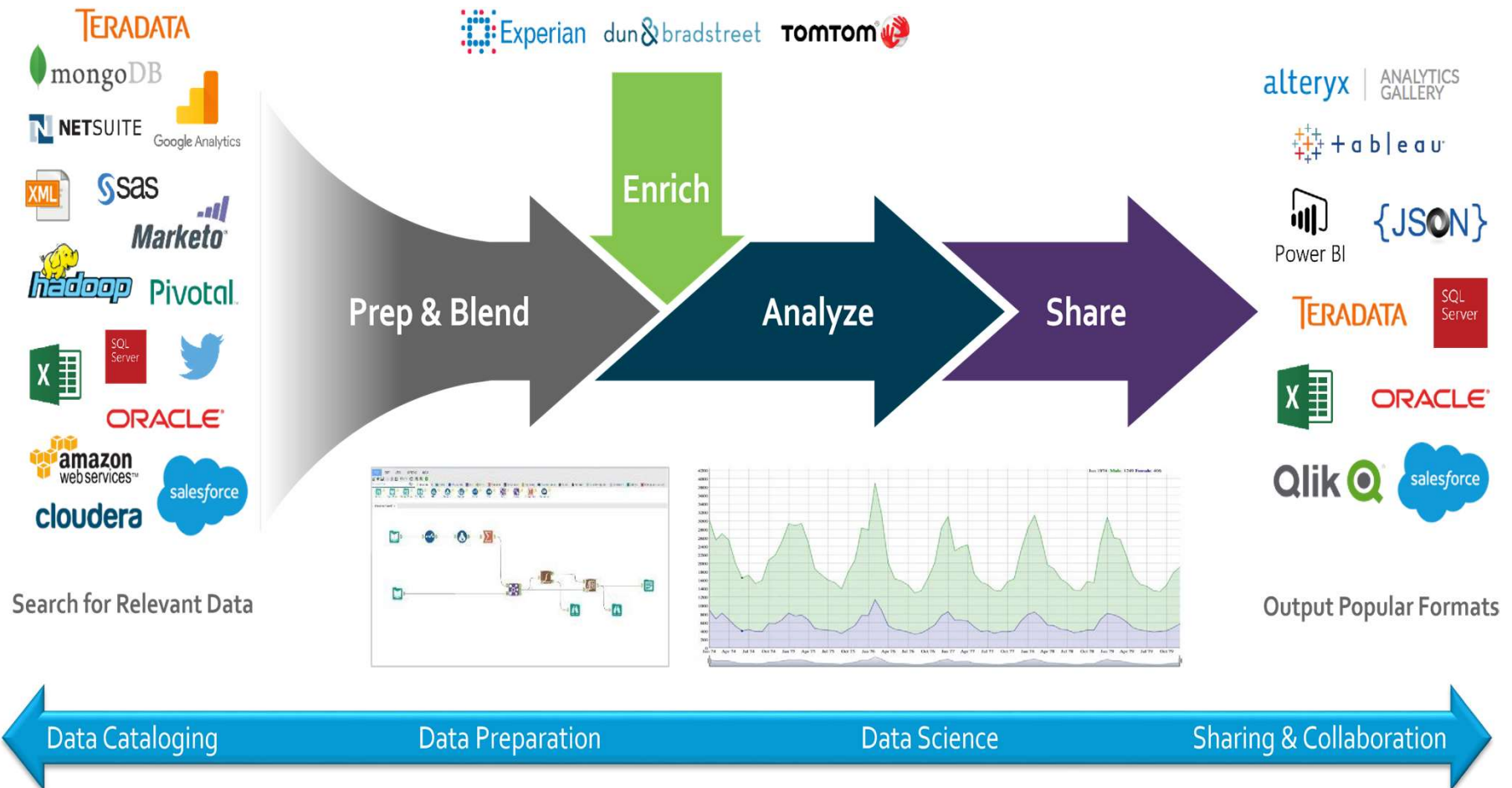
Cluster 3 – most promotional products, not planned, **impulsive purchases driven by promotion**, frequently bought, e.g. Victoria

Cluster 4 – products not purchased frequently, **expensive and planned** expenses (low ratio of regular sales), e.g. Gift Boxes E and F

Product Segmentation



Business Analytics Flow and Tools



Examples of Predictive Tools - Alteryx

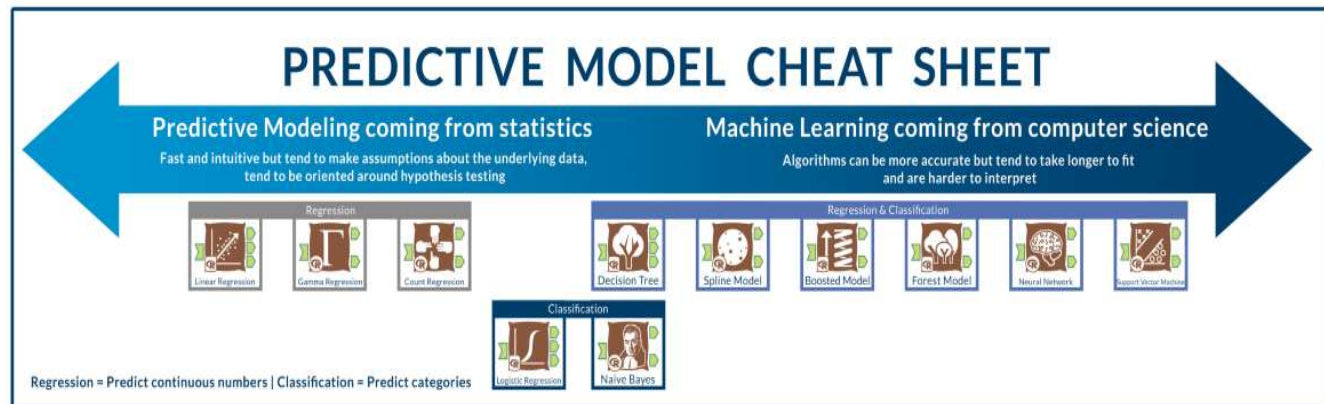
THE PREDICTIVE TOOLS OF alteryx

found in the alteryx 11.0.6 predictive install

- Logistic Regression
- Linear Regression
- Decision Tree
- Boosted Model
- Forest Model
- Neural Network
- Time Series ARIMA
- K-Centroid Cluster
- Market Basket
- AB Testing
- And others



THE PREDICTIVE TOOLS ARE MACROS,
TOOLS DISPLAYING A BLUE BACKGROUND
HAVE AN HTML FRONT END.



End of Presentation