

**BUSINESS MARKETING - TECHNOLOGY FOCUS**  
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**Lecture 22 : Digital Relationship Management**

So, we have discussed in the previous session or in the preceding session about use of digital media, digital technologies, digital tools in marketing communication in the B2B domain. Now, we have discussed earlier that in B2B marketing our key focus today is on moving away from transaction to relation building and relation enhancement.

## Relationship Marketing Using Digital Platforms

- Using social media to improve customer loyalty and advocacy
- The challenge of customer engagement
- Customer lifecycle management strategy

So, this relation oriented marketing which is in a way another name of B2B marketing today digital platforms can be used quite gainfully. So, that's our title of the subsection which is relationship marketing using digital platforms. So, digital platforms can be used like social media can be used to improve customer loyalty and advocacy. Advocacy as you remember is where customer becomes your advocate. Customer becomes your co-marketer. Which is our highest level of aspiration in B2B marketing.

That's exactly what we want to have, where the customer endorses your products and services. Very important in B2B because that becomes a reference that encourages the early majority market segment to expand, that encourages customers to cross the chasm

and go from early adoption to early majority. And it drives as an engine, this whole process of customer advocacy is a powerful engine that drives the growth of the majority market.

## The Goals of Marketing Orchestration

The aim of marketing orchestration can be defined as the development of:

A **multichannel communications strategy**

**Customised** for individual prospects and customers forming segments

Across a **defined customer lifecycle**

Which ...

Delivers the **right message**

Featuring the **right value proposition** (product, service or experience)

With the **right tone**

At the **right time** or context

With the **right frequency and interval**

Using the **right media/communications channels**

To achieve ...

So, in today's world, in the digital world, due to profuse inflow of communication in various ways to the customer, much more than that used to happen before the advent of the digital era. We often use this word called marketing orchestration. That is because just like in an orchestra, there are all kinds of instruments, but they will all have to be synchronized in a pleasing manner, pleasing to listen manner and that process is the conduction of the orchestration process. So the aim of marketing orchestration can be defined as the development of a multi-channel communication strategy which is customized for individual B2B prospects and customers forming segments across a defined customer lifestyle or a defined industry segment or a defined type of usage.

Aim, why we are doing this orchestration is to deliver the right message. To create the right value proposition by combining products, services and experiences with the right tone, in the right time of context, with the right frequency of interval, using the right media and communication channel. So, as you see here, we are looking at almost what we call an omni-channel marketing. That means all kinds of channels of marketing complemented by all kinds of channels of communication.

And our aim in the digital era is to ensure that all these different types of communications are orchestrated, are organized in such a way that they produce the strategic impact. They make certain tactical moves happen.

## **Social Media Activities Requiring Management:**

Activity 1 Define listening and reputation strategy

Activity 2 Transform the brand through social media

Activity 3 Acquire new customers using social media

Activity 4 Increase sales to existing customers

Activity 5 Enhance customer service through social media

So, the activities that are therefore important are defined listening and tracking of your reputation, transforming the brand through social media, acquire if not new customers but at least new leads using the social media. Increase sales to existing customers, at least stimulate the sale to existing customer. And of course, use social media extensively to enhance customer service and enhance your reputation as a good customer support service providing company.

## Benefits of Using CRM to Support Customer Engagement:

- Targeting more cost-effectively
- Permission marketing
- Mass customisation of the marketing messages
- Increased breadth and depth of information
- Deeper customer understanding
- Lower cost
- Delivering loyalty programmes
- Gamification

The benefits of using this eCRM or CRM using electronic tools is that it allows targeting more cost effectively, it allows permission marketing to happen, mass customization of the marketing messages will become possible because the digital tools allow us to cut, paste, add, delete different sections. So, that the message becomes pertinent to a particular addressee. And using, as we mentioned in the previous session, using videos, audios, you can increase the breadth as well as depth of communication. You can make deeper customer understanding possible at a much lower cost and ultimately all that can build a good loyalty program.

Gamification is another thing that is important in this context, but we will right now not discuss that because we might take it up in a more detailed discussion later on. Gamification basically means that customer almost gets a feel of a video game in interacting with the web-based package, electronic package that you will be providing for a particular marketing approach.

## Marketing Applications of CRM:

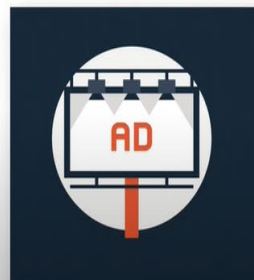
- Sales force automation
- Customer service management
- Managing the sales process
- Customer communication management
- Analysis

Marketing applications of CRMs are many in sales force automation, which we have discussed earlier, in customer service management, managing of the sales process, and also these transactions in the electronic transactions as opposed to physical transactions, physical conversation transactions unless of course they are recorded which is very seldom done kind of gets lost because your memory may fade of a particular conversation but in digital conversation we can store all the entire thread of transaction and communication can then be analyzed in detail for better decision taking.

## CRM Technologies and Data Management

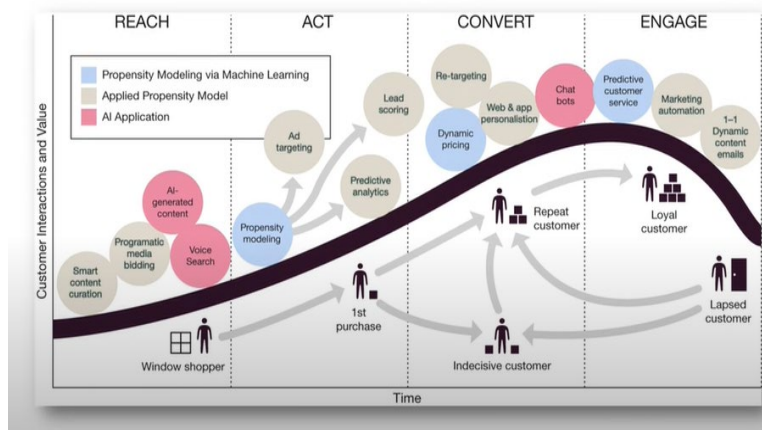
Three main types of customer data held in a CRM system:

- Client profile
- Transaction data
- Communication interaction data



These are the kind of data that will be captured and available for data analysis. analysis and use of tools will be the client profile, actual time to time conversations and transactions and interactions if customer has taken some kind of action on the basis of information that you have provided. Those can also be all recorded and kept available for later analysis.

## Artificial Intelligence for Marketing



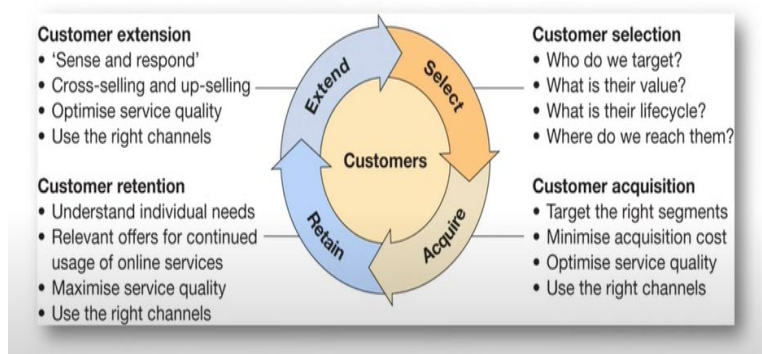
I will use this particular slide at this context to introduce to you how artificial intelligence and machine learning are making impact at least at this stage of marketing. So, in marketing communication today, you see those pink blobs. We are having all kinds of AI applications. So, we have AI generated content. Not that much in B2B, but AI-assisted content generation is becoming more and more popular. We are making, of course, voice search available, so customer does not have to type long strings, but the customer can articulate what the customer wants to know, and you can then respond with pertinent communication package to that voice search.

And then, of course, today in many B2B websites, you will see avatars or digital persona, which actually engage you in almost human-level conversation. The conversation with these chatbots are becoming very fluid and almost human-like, and that makes marketing automation possible. a reality today and this green ones are things that are now happening increasingly derived from the AI assisted communication process. So, we have things like lead generation, lead scoring or retargeting all these are possible today using the AI.

So, basically what we are trying to do using AI in marketing at least in the B2B today is to make the assist in the first purchase process, but the AI will soon make it possible to allow repeat purchase happen that means not assist stage but actual the implementation stage of repeat purchase can happen in this AI assisted, AI complemented domain. So, the AI will not replace the human role B2B marketing, but as you can see in this diagram, they will vastly enhance and assist the human role players in the marketing communication process. We have confined our discussion on this diagram to marketing communication and related conversion and engagement steps. But we know that soon AI will play important role in engaging with customers who have left you or lapsed customers.

We know that it will make repurchase initiated in many of these cases and because one-to-one, almost person-to-person like dynamic content delivery will become feasible using AI tools. And so we will see more and more maybe within a year this diagram will have to be vastly enhanced because it is the development in this domain is happening very very rapidly.

## Customer Lifecycle Management Strategy



So, ultimately digital tools can help us to manage the entire customer life cycle. So, we can have these digital tools help us in customer selection like who do we target, what is their value or what do they value, what is their life cycle position, how do we reach them and then customer acquisition that if not the digital tools may not actually yet make it

possible to acquire a customer, but it can definitely assist greatly in the customer acquisition process by targeting the right segments, by minimizing the acquisition cost, optimizing the pre-purchase service quality, it can enhance the effectiveness of marketing channels.

All that are roles that are already being played by digital tools in the customer lifecycle management. Customer retention, extensive role can be played by digital tools and electronic communication because it makes it instant, the communication reaches from the sender to the receiver.

So, if there is a problem, if there is a service call, if there is an emergency situation, all of that in the service situation can be very well solved by use of electronic media and digital tools. So, it can maximize the service quality and use the right channels to make that happen. And ultimately the digital tools today can help us to extend the relationship with the, deepen the relationship with the customer because the sense and respond gets accelerated through the use of digital tools. Cross-selling and up-selling becomes easier and ultimately online services enhance overall satisfaction level and therefore overall quality of products and services.

### Matrix of Customer Touchpoints for Collecting and Updating Email Contact and Other Profile Information

<p><b>Online touchpoints</b></p> <ul style="list-style-type: none"> <li>• Online incentive such as prize draw (B2C) or white paper download (B2B)</li> <li>• Viral marketing</li> <li>• E-newsletter opt-in on site</li> <li>• Registration to view content or submit content to a community forum</li> <li>• Renting list, co-branded email or advertising in third-party e-newsletter to encourage opt-in</li> <li>• Co-registration with third-party sites</li> </ul>	<ul style="list-style-type: none"> <li>• Capture email when customer first registers or purchases online</li> <li>• E-newsletter and other methods given on left</li> </ul>
<p><b>Offline touchpoints</b></p> <ul style="list-style-type: none"> <li>• Direct mail offer perhaps driving visitors to web</li> <li>• Trade shows or conference</li> <li>• Paper response to traditional direct mail communication</li> <li>• Phone response to direct mail or ad</li> </ul>	<ul style="list-style-type: none"> <li>• Paper order form, customer registration/product warranty form</li> <li>• Sales reps – face to face</li> <li>• Contact centre – by phone</li> <li>• Point of sale for retailers</li> </ul>
<p><b>New customers</b></p>	<p><b>Existing customers</b></p>

This is an interesting two by two matrix of customer touch points for collecting and updating contact and other profile information that are very useful in today's electronic



digital marketing communication domain. You can study this point by point in detail, but I will draw your attention to few interesting ones. For example, if you are looking at new customers and you are looking at the online touch points. We already know about our offline touch points with new customers that happens to physical direct mail or that happens at trade shows or conferences in B2B or it happens to phone telemarketing in some cases at least in case of professional products like computers or phones it can happen through telemarketing as well if not for a large complex machine but we know the contacts happens with new customers in even in large complex machines at trade shows or conferences that's why post conference or post trade show with all those contact details, we will go into detail analysis to find out that which are the hot leads, which are the warm leads and so on or which are the long term possible leads.

But in the digital world, there are equivalents. For example, all websites, B2B websites provide pertinent information presented like a technical paper and those papers are written intelligently so that they provide marketing communication as well as knowledge nuggets which the customers are looking for. And when these white papers as they are called are downloaded, these technical information pages are downloaded,

The process of downloading will make it possible for you to collect customers name, contact details and so on and interest areas so on and therefore, it is almost equivalent to the card that visiting customers fill up or you fill up on behalf of the customer when they visit your booth at the engineering trade show. And e-newsletters or technical bulletins are also tools that make it possible for you for opt-in that means customer permitted communication. So, almost as we call permission marketing that can happen using the tools in this manner.

You can create all kinds of registrations by providing access to your library of technical information and that registration information can be used to create new customer prospect database. Now, compared to this, if you look at existing customers, then existing customers in online touchpoints, you can capture email when customers register first for service requirements when a first purchase happens. And those contacts can then be used with the customer's permission for sending e-newsletters, product updates, upsell, cross-

sell information more effectively. So, these are various comparisons, offline touchpoints and online touchpoints for both new customers and existing customers.

The new customer acquisition process today using this kind of touchpoints are now greatly assisted also by AI. So, the information that the customer will get to provide you the registration information, the contact information can be made highly attractive and pertinent for them using the AI tool where they can quickly analyze the customer profile or the contact profile by mining the linkage information and that will be very useful. So summary of elements of CRM strategy therefore in this using of electronic media, digital media.

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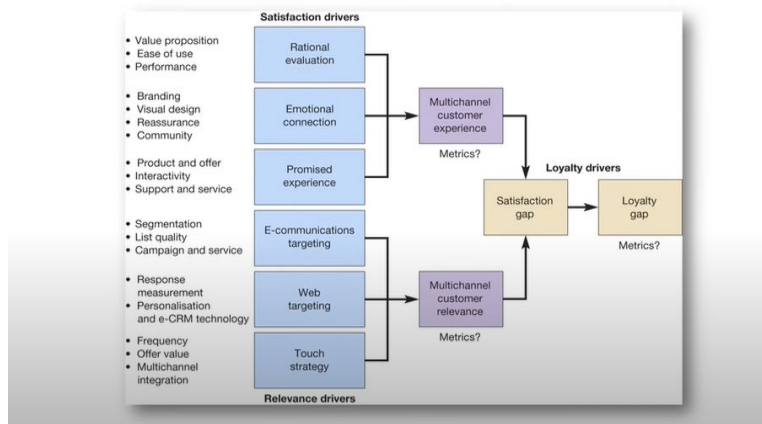
### Summary of Elements of CRM Strategy:

- Permission marketing
- Personalisation and mass customisation
- Using digital media to increase customer loyalty
- Determining what customers value
- The relationship between satisfaction and loyalty
- Measuring the voice of the digital customers
- Differentiating customers by value and engagement
- Lifetime value modelling
- Product recommendations and propensity modelling

The summary of elements of CRM strategy using digital tools, electronic media will be permission marketing which we discussed just now. That means in many cases you will provide information to the customer not unsolicited but through the registration process as solicited information, which is of a much higher degree of importance to the customer than unsolicited information. All the information personalization and mass customization become feasible by using of the digital tools. And therefore, the digital media can help us increase customer loyalty, enhance the value proposition by understanding what the customers value.

And it also helps us to ultimately aim for customer loyalty and customer advocacy by capturing the real voice of the customer. At the end you see one bullet which says lifetime value modeling because this digital media or electronic CRM actually provides us with a continuous stream of pertinent information and therefore we can actually understand a customer across the life cycle stages in much greater depth.

## Factors Affecting Customer Satisfaction and Loyalty



So, this diagram kind of helps you to understand that why the electronic tools or the digital media today are affecting or helping us to obtain, to achieve customer satisfaction and loyalty. You can see that, therefore, on the left-hand side, we have things like value proposition, ease of performance. All that will be reaching through the multi-channel customer experience and will help us bridge the satisfaction gap and that will help us bridge the loyalty gap.

So, in each case, like information related to product and offerings, interactivity, support services, etc., when that actually flows on this particular diagram across, you actually get not only the gap-fulfilling data, but you can also develop metrics to measure that what is the needed, input to improve and bridge the satisfaction gap or the loyalty gap. So, this is a diagram which you can study in good depth and you can see that therefore at every stage of whether evaluation stage, connecting with the prospect stage, building up the promised experience stage, the targeted communication stage, finally the targeting and touch point stage.

Everywhere we can have this flow from the left to the right to achieve on these various counts ultimately satisfaction and loyalty. And range of this flow and the details of now multiple stages show that why we call today the digital marketing in the B2B domain as a process of orchestration.

### Case Study 6 Dell Gets Closer to Its Customers Through Its Social Media Strategy

This case explores Dell's business strategy and how it has positioned the brand through marketing communications especially online.

The case applies the RACE framework and demonstrates how this relates to the design of online campaigns and promotional offers



Source: Philip Sowels/Future Publishing/Shutterstock

So, as an example or as a depiction of that particular multistage, multimodal communication flow that we just saw, I can present to you this how Dell, a major manufacturer of personal computers, they get closer to their customers through the social media strategy.

You can actually go to the website of Dell to understand it in greater detail and you can see that how Dell business strategy is implemented Their positioning strategy is implemented by their social media strategy which goes hand in hand with their website and this case, the Dell case will show you how the RACE framework can be used for designing online campaigns, online promotions, use of social media in conjunction with the Dell website. All that will become clear to you if you go to their website and follow some of the links. Thank you.