PROJECT TITLE: DISTANCE LAB
REMOTE SERVICE HUB FOR SME'S AND PUBLIC SECTOR

1.3. LEARNING TOOL: CUSTOMER RELATIONSHIP BUILDING

CONTENT

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MODULE 1: *BUILDING CUSTOMER RELATIONSHIPS IN ONLINE BUSINESS*

Introduction

As a result of the turbulent development of technology and engineering, the way entrepreneurs conduct their business has changed. The Internet and other electronic media have been used to a much greater extent, mainly to communicate with customers and to carry out various types of marketing activities.

Following the COVID-19 pandemic, more and more service companies have moved their operations online. Their use of a variety of online channels in their business is now not so much a necessity as a matter of course. The Internet provides them with the tools to reach a much wider range of potential customers. The development of services sold online has been driven by the success of companies such as Uber and Airbnb, allowing online services to expand into new areas such as:

- Education - knowledge sharing, online tutoring

- Business - coworking offices, virtual assistant services

- personal - e.g. babysitting or cleaning services.

Instead of hiring or entering into a long-term partnership, specific services can be used according to actual needs. In addition, the cost of the assignment is known in advance and can be paid online without the need for cash (www.virtuacodelab.com).

Example

The market of online services is growing in both the business and private sectors. In the former, one of the most popular platforms is Fiverr.com, which is mainly dedicated to freelancers who can reach clients all over the world thanks to the platform. Prices on the platform start at $5 per job, hence the 'fiver' in the name. There are more than 200 categories of services, ranging from the creation of graphics, animation and video, to the provision of virtual assistants, copywriting and translation, to programming, business consulting and mentoring. Similar platforms to Fiverr are Gigbucks and Fourerr, while SEOClerks is mainly dedicated to SEO-related services such as copywriting, page optimisation or link building. Online services are also offered by language teachers on the world-famous italki.com. Language learners can try out different teachers through free trial lessons, get to know their accent and mannerisms by watching videos prepared

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by the teachers, and read ratings and reviews about them. The service not only saves time travelling to lessons, but also provides access to native speakers in virtually every language in the world (www.virtuacodelab.com).

Building long-lasting and strong customer relationships in an online business is a very different process from building relationships in an offline business. Offline, customer-business relationships are based on face-to-face contact (e.g. shopping in a retailer's store) rather than face-to-face, verbal (e.g. telephone) or written (e.g. email). In this case, human interaction is very important. In online relationships, face-to-face interactions disappear and all exchanges are indirect and through online technologies. There is little human interaction and instead changes in the relationship are based on human-technology interactions (Steinhoff et al., 2018).

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UNIT I. RELATIONSHIP BUILDING WITH CUSTOMERS

Duration: 2 hours of hands-on session and 1 hour of self-study

Detailed topics:

1. Relationships and their importance in online business
2. The benefits of maintaining lasting, positive relationships with customers
3. Stages of building relationships with customers
4. Principles of building lasting relationships with customers & How to build lasting relationships with customers
5. What influences building lasting relationships in e-business
6. Good practices in building relationships with customers

Relationships and their importance in online business

A relationship consists of ongoing, intentional, non-accidental interactions (e.g. purchasing, service provision, communication) between a customer and a firm. For a relational exchange to develop and be sustained, it must involve a mutual exchange of benefits so that both customers and suppliers perceive some net benefit (e.g. financial, emotional, social, community) from the relationship with the partner compared to the available alternatives. The most effective contacts are those based on positive relationships - if the customer identifies with the brand, the company, feels valued and well looked after, they do not need to be specifically encouraged to make further contact with the company to take advantage of its offerings.

Practical tip

The importance of customer relationships cannot be underestimated. The research shows that the most common reason for customers switching to the competition is the lack of contact (especially personal contact) with the company and the poor quality of the relationship - as many as 69% of responses. A lower price of the service product or a better product or service were cited relatively infrequently - 15% each (H. Nwakanma et al., 2007).

Customers make a subjective assessment of the value of a company's product/service by taking into account: economic, informational and emotional resources and comparing them with the subjective amount of effort they have to make. Subjective value has an impact on customer satisfaction, which is the basis for customer retention and relationship strengthening, which in turn has a direct impact on relationship strength. A strong relationship is not just about repeat purchases, which can be a result of economic factors, but also about the emotional attachment one feels to family or friends. Emotional value is

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created by the company and its employees interacting with the customer in a way that makes them feel important, honoured and valued (Grego-Planer et al., 2013).

Exercises

Try to estimate the inputs and costs for one of your customers. You can use the following table. Assign a weight to each factor so that the sum of the weights is 1.0. Give each factor a rating, where 1 is the lowest rating and 5 is the highest. Then multiply the weight and rating for each factor, and finally add up the weighted ratings separately for the resource and input categories. Compare the two values. Are they comparable? Which category has the higher score? Is the situation favourable in your assessment?

Resources	Weight	Rating (1-5)	Weighted rating	Inputs	Weight	Rating (1-5)	Weighted rating
	A	B	A x B		C	D	C x D
economic				time			
information				commitment			
emotional				costs			
		TOTAL				TOTAL	

```
Strengthening          the affective
customer      ────      dimension of the
relationships           relationship

                        the behavioural
                        dimension of the
                        relationship
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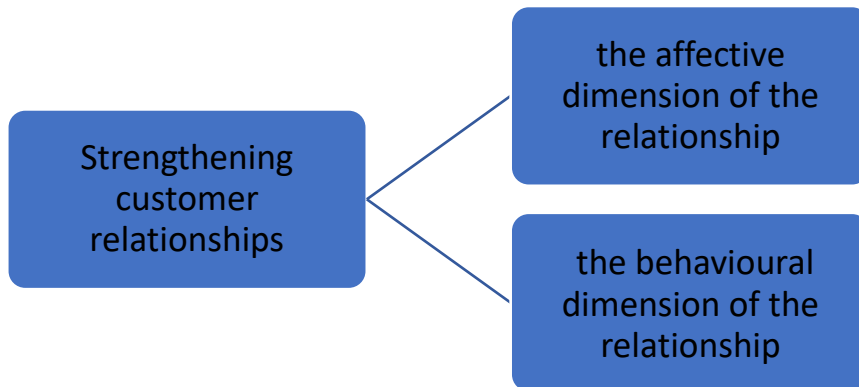
Chart 1. Strengthening customer relationships

Source: (Mitręga, 2015)

The affective dimension of the relationship is an improvement in the customer's opinion and feelings about the company over the course of the relationship. The behavioural dimension of the relationship is an increase in the concentration of purchases with that company.

Relationships with customers can vary in nature depending on the type of customer. A distinction can be made between (Grego-Planer et al., 2013):

- Relationships with occasional and potential customers - to initiate contacts that may form the basis of a more permanent relationship in the future;

- Relationships with first-time customers - in this case, the company must take care to create trust and satisfaction that will lead to repeat purchases;
- relationships with moderately frequent, infrequent customers - in building these, activities aimed at developing consumer preference for the offer are key;
- Relationships with regular customers - aimed at building long-term relationships and strengthening customer loyalty;
- Relationships with advocates of the company - based on the use of activities that generate customer enthusiasm;
- Relationships with dissatisfied customers - characterised by the process of managing customer complaints; an appropriate attitude to complaints and grievances is one of the conditions for customer retention.

Exercises

Think about your customers and try to classify them according to their interest in your company's offers and their influence, using the following scheme. Once you have entered their names in the table, evaluate the validity of the proposed action strategies.

		INTEREST	
		Low	*High*
IMPACT	*High*	**Keep happy**	**Key**
	Low	**Monitor**	**Interested**

Proposed strategies:

		INTEREST	
		Low	*High*
IMPACT	*High*	**Keep happy** Potentially dangerous Inform, involve and consult in the area of interest Drive to increase interest	**Key** Collaborate closely Manage carefully Engage and consult regularly Use two-way communication Ensure expectations are met
	Low	**Monitor** Potentially indifferent Inform through general channels (newsletter, website)	**Interested** Potential allies Inform and consult in the area of interest

The benefits of maintaining lasting, positive relationships with customers

Customer relations in online business is a very challenging aspect of online business. Entrepreneurs need to be inventive and knowledgeable about how to reach a potential target audience so that the message is remembered, noticed and provides the desired feedback (Wyrwisz, 2014).

Customers are more likely to return to known, trusted and loyal companies. It is important to remember that by maintaining positive relationships with customers, a company gains a number of benefits because (www.zielinskijerzy.com):

- In times of fierce competition it is very easy to lose a customer; however, if you provide him with a positive experience of contact with the company, with its representatives, he will be more inclined to use your offer again;
- A satisfied customer may recommend the company, its products, services to his friends and other users, thus expanding the circle of recipients;
- a dissatisfied customer can spoil a positive opinion in the industry, and this can be very costly, not only in terms of image; people are more likely to share negative impressions, so it is worth taking care of positive opinions about the company;
- an appreciative customer is more likely to return to a company where he or she has felt well served, 'taken care of'.

Lasting relationships mean that customers are more satisfied with their dealings with the company, and that customer loyalty increases, which is particularly important in times of crisis. For the company, it means, above all, higher profits, lower operating costs.

Example

American denim manufacturer Levi Strauss & Co. uses relationship marketing in the following way: customers can order individually tailored jeans, choosing from three basic styles, ten fabrics, five leg styles and two types of braces. The retail outlets are staffed by trained fitters who enter the data into the company's database, and the customer receives a barcode in his or her 'perfect' pair of jeans. This makes it easy to order a new pair directly from the company. Customers then become the owners of their 'own' bespoke jeans and the company reduces inventory costs.

Exercises

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Think about your customers and try to list situations in which they have expressed satisfaction with your company's offering. What made them happy? Was this factor repeated with different customers? How did they let you know they were happy? Did this translate into growth for your business?
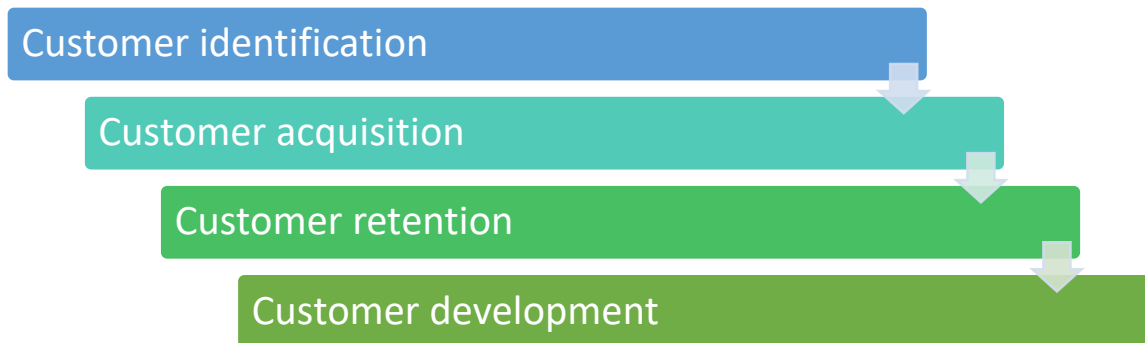
Stages of building relationships with customers

Customer identification

Customer acquisition

Customer retention

Customer development

Chart 2. Stages of customer relationship management

Source: (Chittaie, 2012)

- **Customer identification** - involves reaching out to people who will become the company's customers and the source of the company's profit and success; customer relationship management at this stage focuses mainly on analysing customers lost due to very strong competition and trying to win them back; this stage also includes customer needs analysis and segmentation;
- **Customer acquisition** - involves various ways (e.g. direct marketing, indirect marketing) of attracting customers and encouraging them to order the products offered.
- **Customer Retention** - this is a very important stage from a Customer Relationship Management point of view; this process helps to retain existing customers and attract new ones; it is much more economical from a company's point of view to try to retain existing customers than to try to attract new ones and build new relationships;
- **Customer development** - includes an analysis of the customer life cycle, the average increase in sales achieved by new customers, an analysis of the basket of products used by the customer.

To make every customer interaction valuable by bringing together all of a company's advertising, marketing, sales, retail, and service business data, it pays to use Oracle Advertising and Customer Experience (CX). It is an integrated suite of applications that goes beyond the traditional CRM system to help your company create, manage, service, and retain customer relationships. It provides a complete view of customer data and all

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customer interactions - no matter how, when, where, or with whom they interact. Ensure that your entire organisation delivers exceptional customer service - from acquisition to retention. Take advantage of Oracle Advertising and Customer Experience.

Watch the video

https://youtu.be/H7sLfhW0ZO4

Principles of building lasting relationships with customers & How to build lasting relationships with customers

Building customer relationships is a strategy and is best pursued comprehensively with specific actions in mind. You can identify different stages or steps in building customer relationships, but the most important thing is that any such activity should be consistent and designed to create customer loyalty to your company.
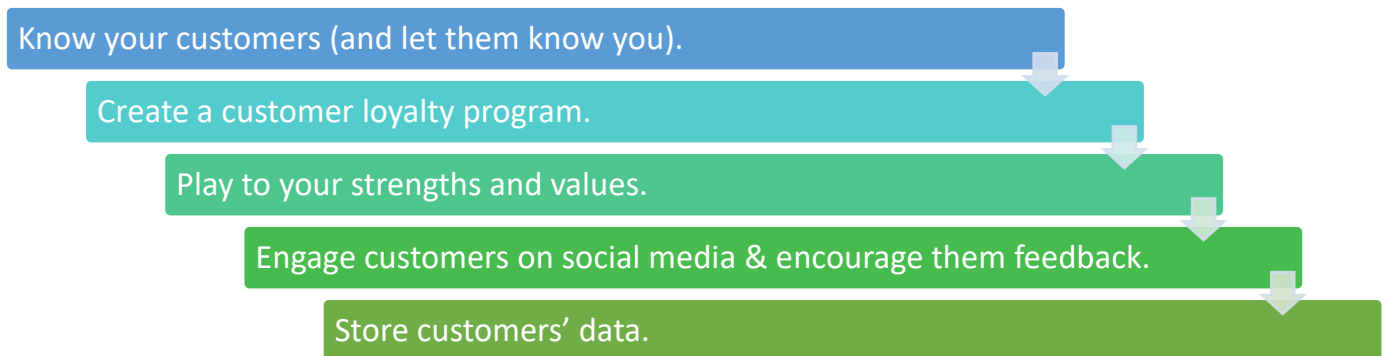
Know your customers (and let them know you).

Create a customer loyalty program.

Play to your strengths and values.

Engage customers on social media & encourage them feedback.

Store customers' data.

Chart 3. Steps of building customer loyalty

Source: (www.businessnewsdaily.com)

Exercises

Make an initial diagnosis of the way you contact your customers. You can use the table below. Do all customers use the same communication channels? Is it possible to segment your customers?

Dimension	Description	Yes/No
Increasing brand awareness	Social media ads	
	Google ads (pay per click)	
	Traditional print and media ads	
	Organic content, such as a blogs	

Acquisition of customer data	Searching for data on the internet	
	Use of the survey after clicking on the advertisement	
Customer Profiling	What type of media do they prefer to interact with?	
	YouTube	
	Instagram	
	Facebook Live	
	Twitter	
	Specific magazines	
	Certain apps	
	Certain brands	
	What channels are they most active on or likely to see?	
	Social media	
	E-mails	
	Outdoors advert	
	Telephone	
	Other	

Source: own elaboration based on (www.businessnewsdaily.com)

Exercises

In its simplest terms, a loyalty programme is an exchange of benefits, so a simple principle can be applied in the form of: customer action - your company's response. Try to think about what customer action would be most desirable to you and what you could offer the customer in return. You can use the following table.

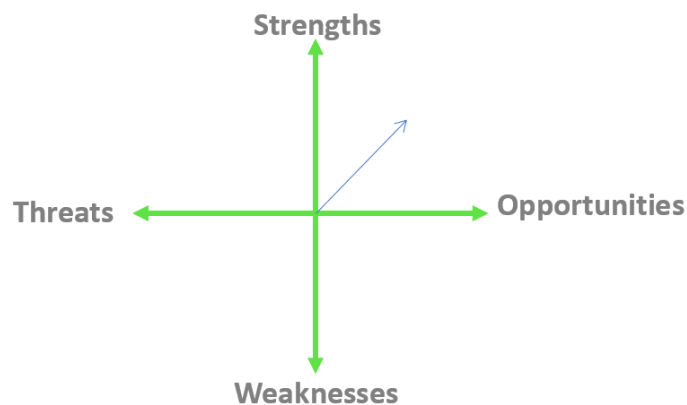| Action	Reaction
Spending €20 to buy my product/service	*Discount of 2% on purchases.*
Recommending my company on Social Media.	*More frequent contact on social media and customer promotion.*

Exercises

In building customer loyalty, it is also important to assess your own potential. You can do this by using a modified SWOT analysis, focusing on your offer and considering opportunities and threats related to customer behaviour. For example, an opportunity could be interest in your company expressed through

more visits to your website, while a threat could be a situation where you lose followers on social media. Try to think about and evaluate the different elements.

Opportunities	Weight	Rating (1-5)	Weighted rating	Threats	Weight	Rating (1-5)	Weighted rating
	A	B	A x B		C	D	C x D
TOTAL	+		0	TOTAL	-		0
Strengths	Weight	Rating (1-5)	Weighted rating	Weaknesses	Weight	Rating (1-5)	Weighted rating
	A	B	A x B		C	D	C x D
TOTAL	+		0	TOTAL	-		0

In the final stage of the analysis, you can calculate the difference between Opportunities and Threats (external factors) and between Strengths and Weaknesses (internal factors). The difference gives the coordinates of a vector whose origin is at the origin of the coordinate system. The direction of the vector can indicate one of the following strat egies.

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Strenghts

Max-min Strategy	Max-max Strategy
What the company is doing: trying to overcome risks by using internal potential	**What the company is doing:** strong expansion and diversified development

Threats   **Opportunities**

Min-min Strategy	Min-max Strategy
What the company is doing: liquidation or attempt to survive or merge with another organisation	**What the company is doing:** capitalises on opportunities and reduces shortfalls

Weaknesses

What influences building lasting relationships in e-business

As with any type of business, attracting and retaining the right number of customers plays a very important role in the case of e-business. When acquiring customers via the Internet, the most important thing is to build a positive relationship between the company and its customers.

Practical tip

When building relationships with customers, remember to:
- *Build trust in the relationship with the client;*
- *Take care of the customer, being attentive to his needs - finding out about the customer's expectations in order to meet them;*
- *Appropriate approach (openness) to unusual clients - but also assertiveness and not giving in to influence;*
- *Professionalism of the staff;*
- *An individual (flexible) approach to the customer - it is worth remembering that customer needs change quite often and the market is fluid - it is important to keep this in mind;*
- *Commitment and care - simple gestures and kind words that are sometimes forgotten but have great power;*

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- *Open, honest communication with the customer, good online etiquette - if you make a mistake, don't try to hide it - correcting and explaining can do more good than sweeping the problem under the carpet;*
- *Don't be pushy - building trust is a long-term process that cannot be rushed, keep in touch but don't be pushy;*
- *Keep control of the message - we vet ideas for posted content and monitor their reception, answer questions, try to dispel doubts;*
- *Feedback - respond quickly to mistakes made - never ignore comments, respond even to negative ones;*
- *Staying in touch even after the transaction is completed;*
- *Openness to change, to new opportunities - we are constantly changing, adapting our messages and looking for new ideas.*

Good practices in building relationships with customers

Elements necessary for building positive, lasting relationships with customers (customer approach):

Openness and honesty - customers should be treated well; a sincere approach to relationships, especially at the supplier-customer level, leads to mutual trust; customers are sensitive to manipulation and lies, so the most important values are loyalty, honesty of communication and quality of products and services.

The art of asking questions - questions are the beginning of a real relationship with the customer; by asking the right questions you can gain valuable knowledge about the customer's preferences; it also gives the customer the opportunity to open up and feel heard.

Customer contact is not just about selling - relationship marketing should not just be about selling; getting reviews of your products, asking if everything is OK with your services, informing about new products and only then offering promotions or the occasional bargain; you not only gain a relationship with the customer but also the opportunity to build a valuable, positive brand image.

Building relationships takes time and unfamiliar channels of contact with customers - building relationships can take time, so be patient and focus on giving customers reasons to like the company; a good step in this direction is to respond quickly to customer contact; reply to emails, call backs, Messenger or LinkedIn; any communication channel preferred by the customer should also be good for the company.

It is important how and what is said - the language of benefits is important in customer relations, it is through this language that the customer knows why this product or service will be the solution to his problems, which will encourage him to buy.

Real help and individual approach - every customer likes to feel appreciated and treated individually; sometimes this involves solving a non-standard problem, performing an additional action beyond the agreed service, etc.; a customer who is aware of the possibility of receiving real help from the company's employees will recommend it to friends because he or she feels a connection with the company's brand.

It is worth talking about problems and apologising - the most important thing in building relationships and contacts with customers is to reach out to them, even in difficult situations; in case of problems, the worst solution is to avoid contact or to shift the blame to the customer; it is also important not to forget the word "sorry" - sometimes it solves even the most crisis situations.

Chart 4. Elements of long relationship with the customers

Source: (Zieliński, 2023)

Exercises

When building customer relationships, it is important to assess the actions taken by the company's management and employees. This can be done by means of a questionnaire indicating the frequency of the actions taken.

	Action	never	rarely	sometimes	often	always	Value
RELATIONSHIP	Relationship building (getting to know customers better, learning about their history and needs)						**0**
	Regular contact (sending valuable content and greetings to strengthen the relationship with customers beyond the commercial aspect)						**0**
	Personalisation (understanding customer preferences and tailoring offers and communications to individual needs)						**0**
	Long-term value (treating customers as business partners, focusing on long-term impact)						**0**
							0
SERVICE	Keeping promises (respecting delivery times and quality of service)						**0**
	Responsiveness (listening to customers' opinions and suggestions and responding to their needs)						**0**
	Responsiveness (responding to customer requests and problems in the shortest possible time)						**0**
	Customer service (providing quick, helpful answers to questions and solving problems)						**0**
							0
COMMUNICATION	Honesty and transparency (open communication, avoidance of withholding information or misrepresentation)						**0**
	Active listening (giving customers space to express their opinions and feedback and taking them into account)						**0**
	Respect (treat customers with respect and value their trust)						**0**
	Listening to criticism (accepting negative feedback and learning from mistakes to become better for customers)						**0**
	Positive atmosphere (friendly and positive environment to encourage interaction)						**0**
	Rewarding loyalty (loyalty programmes, discounts and exclusive offers for regular customers)						**0**
							0
DEVELOPMENT	Continuous development (improving services and products based on customer needs and expectations)						**0**

	Creativity (introducing innovative approaches and unique offerings to differentiate from competitors)						**0**
	Attention to detail (paying attention to small details that can make the customer experience even better)						**0**
	Empathy (understanding the customer's perspective and trying to empathise with their situation and needs)						**0**
							0
EXTERNAL SITUATION	Monitoring the competition (observing what others are doing and learning from their examples to gain an advantage)						**0**
	Educating customers (sharing industry knowledge and information to help customers make decisions)						**0**
							0

By indicating the frequency corresponding to an action (by entering a value of '1'), a weighted value is obtained and, for a group of actions, an average is calculated. In this way, the average level of commitment to building customer relationships can be assessed. A five-point frequency scale helps to interpret the results. If a company's communication score is 3.33, it means that it only sometimes makes an effort to communicate well.

QUIZ - Customer relationship building

1. The relationship consists of continuous, unintentional and incidental interactions between the customer and the company: TRUE / <u>FALSE</u>
2. Research shows that the most common reason why customers switch to competitors is the lack of contact, especially personal contact, with the company and the poor quality of the relationship: <u>TRUE</u> / FALSE
3. Strong ties are the repeat purchases, the emotional attachment one feels to family and friends: <u>TRUE</u> / FALSE
4. One dissatisfied customer cannot tarnish a company's positive reputation: TRUE / <u>FALSE</u>
5. Customer relationship management includes the following stages: customer identification, customer acquisition, customer retention, new customer acquisition: TRUE / <u>FALSE</u>
6. Oracle Advertising and Customer Experience (CX) provides complete visibility into customer data, across all customer interactions, regardless of how, when, where and with whom they interact: <u>TRUE</u> / FALSE
7. Maintaining a relationship with the customer after the transaction has been completed is a very important element in the process of building a positive relationship between the company and the customer: <u>TRUE</u> / FALSE
8. Personalisation of the message is not possible and is irrelevant in building customer relationships: TRUE / <u>FALSE</u>

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9. It is up to the company to decide which channels to use to communicate with its customers, and it is up to the customer to adapt: TRUE / <u>FALSE</u>
10. Lasting relationships, customer loyalty, can help a company survive a crisis: <u>TRUE</u> / FALSE

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UNIT II. LONG-DISTANCE BUSINESS RELATIONSHIP MANAGEMENT

Duration: 4 hours of hands-on session and 1 hour of self-study

Detailed topics:

1. Key elements in building business relationships at a distance
2. How do you build and maintain lasting relationships in a long-distance business? (a company website, email marketing, mobile applications, social media, a blog, content marketing, real-time marketing)
3. Problems in building relationships in online business
4. Customer loyalty is the basis for building lasting relationships

Key elements in building business relationships at a distance

With exponential advances in computer technology, businesses have access to an ever-evolving, rich set of online customer relationship management tools. Social media, a variety of online communities, mobile devices and even artificial intelligence and augmented reality make it possible to maintain lasting relationships with customers. Building long-lasting and strong customer relationships in an online business is a very different process from building relationships in an offline business. Offline, customer-business relationships are based on face-to-face contact (e.g. shopping in a retailer's store) rather than face-to-face, verbal (e.g. telephone) or written (e.g. email). In this case, human interaction is very important. In online relationships, face-to-face interactions disappear and all exchanges are indirect and through online technologies. There is little human interaction and instead changes in the relationship are based on human-technology interactions (Steinhoff et al., 2018).

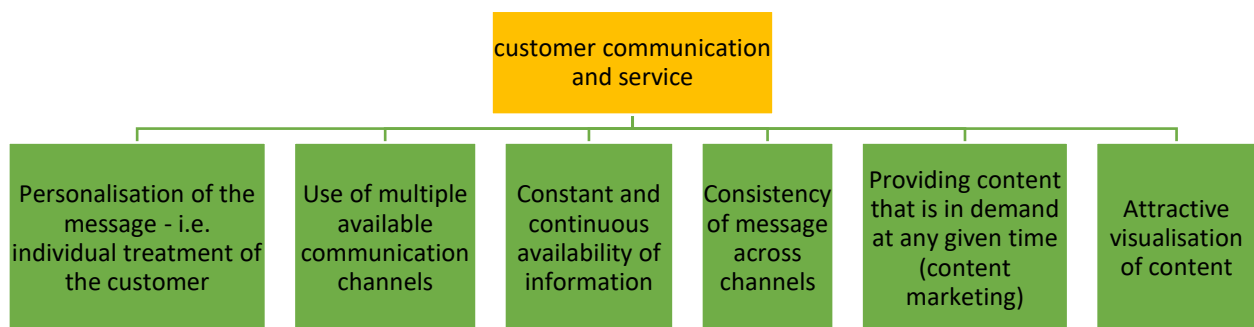**What is important when building relationships over distance?**

Chart 5. Elements of customer communication and service

Source: (Okonek, 2010)

Choosing the right tools for this will result in satisfied customers, building relationships, trust in the company, etc.

How do you build and maintain lasting relationships in a long-distance business?

In online business, it is very important to use solutions that make it easier to do business online, even for companies that, by their very nature, cannot transfer a significant part of their activity to the web, e.g. manufacturing, catering, etc. Today, a number of modern forms (tools) are used to build relationships with customers, such as websites, content marketing, real-time marketing, mobile applications, blogs, etc.

Today, a number of modern forms (tools) are used to build relationships with customers, including websites, content marketing, real-time marketing, mobile applications, blogs and many others.

Chart 6. Tools for maintaining the relationship with the customers

Source: own elaboration

A company website, especially in the case of an e-business, is fundamental because it is the company's calling card, encouraging people to take advantage of what it has to offer. It is an essential tool for communicating with customers in this form of business. An online business must first and foremost be visible on the Internet, because that is where potential customers are. The website should be easy to access and, above all, the information it contains should be up-to-date, reliable and transparent. A company website should

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contain information about the company, but also links to external data that is relevant to the customer (Kieżel & Wieczorek, 2017).

Practical tip

A high quality website experience can increase customer satisfaction, loyalty and ultimately the company's bottom line (Wen Shien & Yazdanifard, 2014).

As well as being used to showcase what a company has to offer, websites can also help with many of a company's activities - such as recruitment. Finding talent can sometimes be difficult. Your website is an important tool in your recruitment efforts. The more professional your employees are, the better they will evaluate your company through your website. They may be looking for the careers section, but also for information on benefits, etc. The larger the company, the more potential employees will find out about it from the internet.

Practical tip

Good companies have good websites.
The creation of a professional company website can be outsourced to specialists (https://home.pl/strony/ offers different versions of websites with prices), or it can be done by yourself thanks to the free website builders available on the Internet. These are IT tools that make it easy and quick to create a website using ready-made templates and elements. The wizard is easy to use, intuitive and accessible in a web browser. At: https://home.pl/strony/ - you can watch a video on how to create a professional business website yourself.

Watch the video

https://home.pl/assets-cms/7969416d-f11e-4a27-a70f-80a68e9ff608/video-kreator-2023-1080p-.mp4?version=0

Search engines play a very important role in the use of keywords. However, care must be taken to ensure that positioning increases the visibility of the company's offer and, consequently, the number of visits. This promotional tool includes two types of activity: positioning in the natural results returned by search engines and the display of advertising boxes in the paid sections of search engines reserved for advertising. The following elements are important for positioning: the choice of keywords compatible with the company's website, the optimisation of the website and the acquisition of links (Pokrzyk & Tarsa, 2014).

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Increases the reach and visibility of the company's offering.

Increase website traffic - the higher a company appears in a search engine, the more likely it is that traffic will be directed to the company's website.

Ensure high quality traffic to the website.

Increase sales and enquiries about the offer.

Improve the company's reputation and credibility.

Chart 7. Benefits from website positioning

Source: own elaboration based on home.pl

Practical tip

If you want to check the positioning of your website, you can use the free tool on the website: CLICK HERE. Enter domain name and keywords.
When planning phrases to describe your business that will be visible in search engines, remember that you can use:
1) *Head Keywords - is a word - one or two words, they can be very general, they are the most difficult when it comes to SEO - e.g. business analysis, programming, etc.*
2) *Long Tail words - this phrase consists of a minimum of three words. In contrast to the main phrase, it is not as competitive, is easier to position, more specific, but also less popular and less frequently searched - e.g. business analysis of manufacturing companies Warsaw, JAVA programming.*

There are many keyword analysis tools on the market, both paid and free:

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FREE

Keyword Surfer
https://surferseo.com/keyword-surfer-extension/

Keyword planner from Google

Google Search Console
https://search.google.com/search-console/welcome

PAID

SERP Analyzer
https://app.surferseo.com/login

KWFinder
https://mangools.com/kwfinder/

Semstorm
https://www.semstorm.com/pl
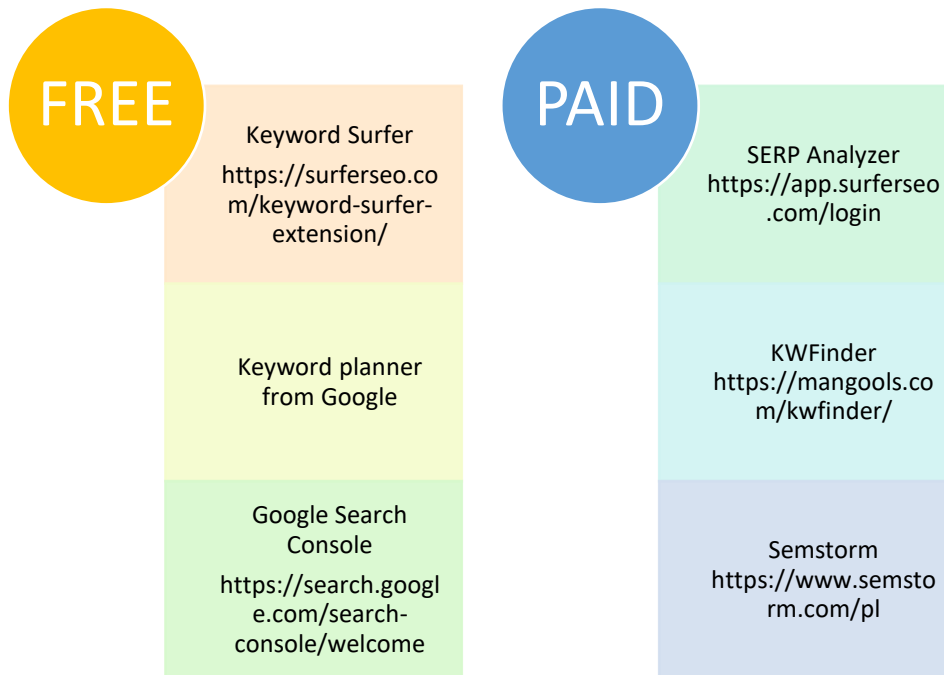
Chart 8. Keyword analysis tools

Source: own elaboration

Watch the video

How the free keyword planner works - https://youtu.be/6wokt64pMDU

SEO (Search Engine Optimisation) is a strategy for increasing the visibility of a website in the search results of various search engines. Its main objective is to generate organic traffic to the website, i.e. to attract users without having to pay for advertising. SEO includes a number of measures such as keyword selection, meta description optimisation and content quality to make the website attractive to both users and search engine algorithms. Google is the most popular search engine, but SEO is also applied to other search engines such as Bing, YouTube and TikTok, each with their own specifications and algorithms. All of these SEO activities are dictated by research and analysis, which helps to understand how users perceive content and what interests them most (http://drySEO.com).

SEM (Search Engine Marketing) also plays an important role. Its aim is to improve the visibility of phrases related to a particular business in Google and to generate traffic that will translate into customer acquisition. SEM is nothing more than all the activities related to search engine presence. Increasingly, SEM includes campaigns on YouTube, the world's second largest search engine (https://octamedia.pl).

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SEO (Search Engine Optimisation) + PPC (Pay Per Click) = SEM (Search Engine Marketing)

Chart 9. What is SEM

Source: own elaboration

Email marketing is the communication of promotional and informative information about a company and the products it offers through its database of customer email addresses. It is a form of direct marketing that can be used by almost any company. Projects, offers, invoices, etc. can be sent by this means (Ilieska & Alavantija, 2016). Recently, this method of contacting recipients has been losing ground to other, more modern solutions. Hyper-personalisation of content plays an important role here, meaning that the information provided should be tailored to the recipient as much as possible (*Biznes w sieci…*, 2016). Internet users do not mind receiving commercial information, but they do not agree to receive information that does not meet their expectations or their real needs. It is therefore worth focusing on maximising the individualisation of the message and the offer itself by using as much data as possible.

Practical tip

An entrepreneur does not have to waste time sending emails to his customers himself. Email design wizards can be used for this purpose. For example, the intuitive FreshMail Designer (https://freshmail.com/) or MailChimp (https://mailchimp.com/) contain ready-made templates and blocks that can easily be used.

Practical tip

SMS campaigns are also a way to engage with customers quickly and personally. On average, up to 95% of messages are read, making SMS the most effective way to reach customers.

The best results are achieved by combining a mailing with an SMS campaign. In the first channel, you can describe your promotion or offer in detail and visualise it beautifully. With an SMS, you can reach more of your customers and let them know that a special message is waiting for them in their inbox (https://freshmail.com/).

Mobile applications (apps) become both an additional communication channel and a kind of loyalty card. This is facilitated by the widespread availability of the medium, the small size of the application and device, always up-to-date data and the possibility of interaction. Mobile applications are part of the trend of personalizing messages - e-consumers can quickly obtain information about their account, the status of their payments or deliveries, and also order products again in a few seconds. Mobile applications also allow you to tailor individual messages, e.g. promotional ones. Mobile technologies can significantly relieve the workload of **contact centre consultants** and reduce service costs while maintaining a high level of customer satisfaction. Thanks to mobile applications, the entrepreneur also has the opportunity to build a database of contacts of customers who use mobile phones and respond precisely to their needs. An additional mechanism that can be used is **geolocation**, thanks to which ads can be displayed, for example, when the customer is near a specific store. It is also possible to obtain data that cannot be obtained via the website.

Social media gives companies the opportunity to interact and communicate with a huge number of potential recipients. In the West, the use of social media to build customer loyalty is becoming more and more common, which is why the social networking site Facebook has introduced a pilot loyalty program. Its participants connect their credit cards with their Facebook accounts by "liking" the Facebook profiles of companies participating in the project, thanks to which they can receive bonuses for their purchases.
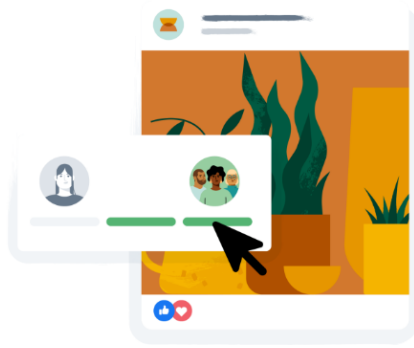
Chart 10. Sample Social Media Summary Pages (Meta & X)

Source: own elaboration

The potential of social media is huge. This channel of communication with customers is the focus of Social Media Marketing (SMM). It is the totality of paid and unpaid activities in social media aimed at increasing brand awareness, building a positive brand image, establishing relationships with customers and, ultimately, achieving satisfactory sales results for products and services. Today, social media marketing is mainly based on Instagram, Facebook, YouTube, LinkedIn and TikTok. However, it is not worth wasting time and energy trying to be present on all platforms. The communication channel should be chosen consciously, with reference to your target audience, but we will talk more about this in a few paragraphs below. The advantages of social media marketing are:

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Building company credibility and trust	• Publishing content that is factual and useful to the audience creates the image of a brand as an expert in its field. Similarly, responding to recipients' needs and questions works. Well-prepared content builds trust in the company and makes recipients look to it for solutions to their problems.
The opportunity to benefit from audience engagement	• Audiences are brand ambassadors who can share content published by a company, increasing reach and helping to raise its profile. No other medium offers the same opportunities in this regard as social media platforms.
Reach a highly targeted audience	• The ability to target social media advertising allows you to effectively reach your audience with your message. You can sell your products and services to customers who are actually interested in them, rather than just sending a broad message "out into the world".
Direct contact with audiences	• The ability to communicate via private messages or comments is less formal and more inviting than filling in forms on a website or sending emails. It is also invaluable to have a variety of options for interacting with audiences, such as involving them in the product development process or asking for feedback or community preferences.
Ability to analyse the effectiveness of your activities	• The statistics available for company profiles allow you to monitor the effectiveness of your activities on an ongoing basis and modify them if necessary. Being active in social media also helps you to better sense and understand trends, and then adapt your offer and marketing strategy to them.

Chart 10. Advantages of Social Media Marketing

Source: own elaboration based on https://dais.pl

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Practical tip

Social CRM provides tools for managing customer relationships on social media. The top three software and tools used in Social CRM are (https://sproutsocial.com/insights/social-crm/):

- **Sprout Social** - *integrate seamlessly with platforms like Salesforce, Microsoft Dynamics 365 and Hubspot, pushing comprehensive insights across a business. This detailed profile context allows teams across departments to address support issues, cultivate potential leads and deliver exceptional brand experiences; Contact Profile Views provide a window into users' activity across networks like Twitter, Facebook, LinkedIn and Instagram. This feature creates a centralized information hub where you can find details provided by both the customer and your fellow team members; You can even share notes, like the best time to reach a contact or details from an offline conversation, and add company and personal contact information.*

- **Salesforce** - *integrate with Sprout Social, allowing them to act as social CRM tools to support your entire business; Sprout integrates with Service Cloud, Marketing Cloud, Sales Cloud and Tableau. These integrations provide businesses with a 360-degree view of the customer at every level, creating cross-functional clarity for all. With Sprout and Salesforce, your team can: (1) create Salesforce contacts, leads and cases directly in Sprout. This means you can route social customers to support and sales without leaving Sprout or Salesforce; (2) Create a complete picture of your CRM contacts with information and conversations via social media; (3) Tie your social presence to actual business results with analytics and reporting; (4) Personalize audience segments and journeys in Marketing Cloud using social data; (5) Respond directly within Service Cloud where agents work, reducing the need for multiple tools wrapped in a layer of governance and security;*

- **Microsoft Dynamics 365** - *Sprout offers a pre-built integration with Microsoft Dynamics 365, allowing sales, service and marketing teams to refer to either platform as their social CRM of choice; Social customer care teams working in Sprout can use this integration to easily create contacts and cases in Microsoft Dynamics 365, providing sales and service teams with the necessary information to do their best work. Existing contacts and leads can also be linked to Contact Profiles within Sprout for streamlined management.*

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A blog is an increasingly used marketing tool for communicating and creating relationships with customers. It is a text written in the form of a diary, in which the order of entries is preserved - from the newest to the oldest. Components of blogs are added in the form of text, graphics and multimedia. Blogs are publicly available, often devoted to a specific topic, which attracts regular readers. This tool is perceived as reliable in the minds of Internet users. Customer service blogs are created to communicate with customers about the products they purchase or to evaluate their satisfaction. Thanks to this, you can reduce customer service costs and clarify standard issues regarding the use of products. In this case, the ability to obtain feedback from customers is important - blogs, thanks to comments, can collect opinions, comments and suggestions from customers and provide a platform for exchanging experiences. They are also used to promote products and brands. Blogs are created for promotional and image purposes. Unlike a traditional website, a blog has a fixed layout, style and structure, and the argument in favour of using it is the ease of posting and updating entries.

Practical tip

What can a company blog look like?

https://blog.linkedin.com/

https://www.adminproject.eu/blog/

Company blog as a tool for interaction with customers

Informing - posting current information about the organization's activities combined with comments from other users.

Creating relationships - a blog allows you to build relationships and partnerships through two-way communication with recipients.

Knowledge management - a blog can be a center for exchanging knowledge coming from employees involved in its creation, as well as customers expressing their opinions and experiences in using products or services.

Chart 11. Company blog as a tool for interaction with customers

Source: own elaboration
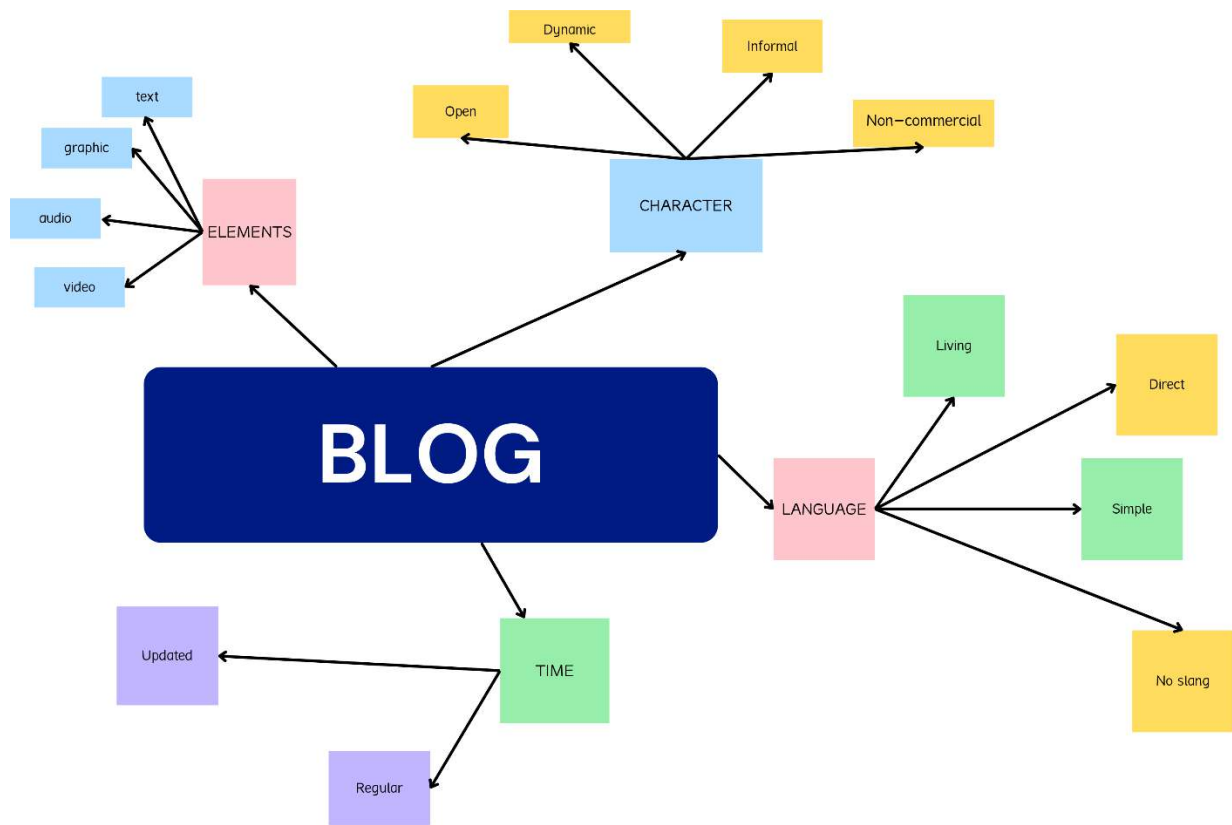
Chart 12. Features of a good company blog

Source: own elaboration

Exercises

When deciding to use written communication, it is worth considering what will be better in a given case: a blog or a website. The following tool can be used for assessment. By inserting the "√" sign closer to a given characteristic that is suitable for your needs, the predominance of characteristics corresponding to the website or blog will be indicated.

Specification	Website	My preferences (insert √)		Company blog
content	strongly related to the essence of the company's activities			any, unlimited
author	unknown, content prepared anonymously			author known by name or nickname
comments	no ability to comment on content			commenting is an integral part of the blog
technology	often complicated			simplified, easy to use

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context	marketing and offer material			diverse material, without direct promotion
scope of functionality	wide			specified
complexity of navigation and structure	high			low

Internet activities also include watching **Videos**. According to research, 64% of Internet users are more willing to buy a product after watching a video. Video materials gain much higher reach than static posts. The second issue is the observed trend in which YouTube is becoming a strong competitor to Google, taking into account information search - the average session on YouTube is 39 minutes, and the average for a video is 4 minutes (Kłosińska, 2018).

Practical tip

If you have an account in the Google domain (@gmail.com), you also have access to YouTube and can create its content by publishing videos there.

You can also use **Online Forums** to communicate with customers, where you post posts about products, companies, etc. Their asynchronous nature means that there is no need to set a time frame for the discussion. The user posts a post on the forum, which other users later refer to at a convenient time. Asynchrony allows for higher quality comments by reducing rush and the possibility of misunderstanding what is being posted.

The scope of information that can be obtained via the forum includes, among others:

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the level of satisfaction with a given product or service in various target communities

desirable or undesirable features of the new product

level of loyalty to a given brand, sensitivity to prices, etc.

unforeseen markets or ways of using a given product

perceived direct competitors for various types of products

changes in consumer attitudes

Chart 11. The scope of information that can be obtained via the forum

Source: own elaboration

A forum is a place for the exchange of information for different communities. It is a great way to generate new business ideas, find partners, investors, share marketing practices, find a mentor, search for potential clients and find friends with whom to 'share your unique journey'. It includes small business podcasts, the best books on entrepreneurship and the best small business software and apps to help equip the entrepreneur with the tools and knowledge they need to succeed.

Practical tip

The link: https://linkedphone.com/blog/best-online-small-business-communities-and-top-entrepreneur-forums/ includes an example of a forum for entrepreneurs serving as a platform for people running their own businesses to exchange ideas about, for example, starting a business, growing a business.

Content marketing mainly involves providing the customer with valuable messages (high-quality content that customers will want to read) tailored to their needs and expectations. Its role is to prepare information for the consumer that will be useful and interesting for him, and thus make him treat the brand as a valuable source of knowledge. Therefore, it is a way to reach customers in a "non-invasive" way, because the content prepared by the company is most often searched for by them using search engines (Kłosińska, 2018). Content marketing uses newsletters, articles, guides, reports, video and graphic content,

company blogs, thematic websites, e-books, webinars, virtual conferences, and podcasts. Providing reliable and useful content promotes emotional involvement of consumers from a given target segment, building relationships with customers, creating a brand image, increasing trust in the company. Seniors will find short articles, tutorials, interviews or simple videos appealing. If your target audience is in the B2B sector, you may want to focus on technical articles, interviews with experts, case studies or reports. Younger users appreciate non-standard forms such as infographics, videos, online games, rebuses or mobile applications.

Chart 12. The content marketing elements

Source: https://www.quora.com/

Exercises

When deciding on a particular form of content marketing, it is worth analysing your potential before deciding. You can use the table below to do this:

Form	Description	Time [1-5]	Idea [1-5]	Ability to use [1-5]	Average

Guide	aims to educate consumers, dispel doubts and provide knowledge, while also supporting website positioning				0,00
Company blog	is used to publish guides, news, updates and other useful content for users, supporting communication, loyalty building and SEO activities				0,00
Expert article	reliable and specialised content created by experts and published on the company's website, blog or external services				0,00
Sponsored article	is intended to promote a brand, product or service in a subtle way; often used as a source of links for SEO campaigns				0,00
Interview	allows a brand to be presented in the form of a conversation with its representative; most often published in online trade magazines				0,00
Product description	presents the benefits of buying a particular product and supports the positioning of the online shop				0,00
Category description	allows for a better understanding of the online shop's offer and the selection of individual products, thus supporting the positioning process				0,00
Review	presenting the strengths and weaknesses of products, services, their application, distinctive features compared to the competition				0,00
Ranking	product and service comparisons published on the company blog or external services				0,00
Newsletter	sending valuable content to the e-mail addresses of subscribers to the shop or company database				0,00
e-book / audiobook	e-books or listening books which convey valuable information about the brand				0,00
Social media content	allows direct communication with the audience and the building of long-term relationships				0,00
White Papers	specialised studies on a specific problem or issue, often used in industrial and technological sectors				0,00
Case Studies	descriptions of positive experiences of cooperation with clients, illustrating the effectiveness of the solutions offered				0,00
References	testimonials and recommendations written by clients cooperating with the company, usually posted on the company's website				0,00
FAQ	question-and-answer databases, which provide customers with knowledge and allow them to avoid many repetitive queries				0,00
Infographics	the combination of text and graphics makes it possible to convey a lot of interesting content in an original way				0,00
Video	videos posted on the company website, video blogs, YouTube videos on the brand and its products				0,00
Podcast	includes interviews, tutorials and instructions made public in the form of streaming (to listen, watch)				0,00
Topical social media groups	provides opportunities to reach audiences, establish communication-based relationships with them, promote products or materials				0,00
Own online forum	discussion forums on industry or specific products				0,00
E-Learning	provision of electronic training materials for customers, employees or business partners				0,00
Online games (gamification)	use of games for business purposes, e.g. product promotion or education				0,00
Photo-sharing	posting photographs (e.g. on Instagram), particularly attractive for fashion, beauty or interior design industries				0,00

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Social bookmarking	light, entertaining content (e.g. Wykop.pl), which aims to attract the audience's attention				0,00
Webinars	a video presentation, interview or online mini-training course that aims to educate, inspire and develop				0,00
Rebus, quizzes, puzzles, tests	lighter forms that catch the audience's attention, allow them to test their own knowledge and have fun at the same time				0,00
Research reports	the results of surveys, research or studies that may be of interest to clients or the industry are developed and published				0,00
Microsites	a separate page highlighting, for example, the history of the brand, its specific activities (involvement in certain projects) or promotions				0,00
Mobile application	a simple mobile application made available to recipients of the corporate website, which may facilitate the use of services, promote products or offer additional functionalities				0,00

Experience marketing involves providing the customer with events that trigger the desired experiences, experiences and emotions, on the basis of which a relationship is built with him. It promotes looking at the world through the customer's eyes. Nowadays, it is widely used by many online businesses - especially through marketing communication and advertising (Kieżel & Wieczorek, 2017).

Example

An example of the use of experiential marketing was the Nokia Game project, in which Nokia phone users could participate in a game lasting several days using various types of media, including the Internet.

Real-time marketing is primarily communication with the customer in real time (e.g. in social media), but also a method for original promotion. It is a completely spontaneous, unplanned marketing activity that is a reaction to a currently popular media event, trend, etc. (Kłosińska, 2018).

Problems in building relationships in online business

Building a positive relationship with a client is actually an endless, long-term process. It is particularly important and difficult in the case of e-business, because it is a long process and relationships are built using the Internet. It's much easier to gain someone's trust when you have eye contact with them. You can shake her hand, verbalize your expectations towards her, exchange observations and possible comments, define needs, etc., but what if this direct contact is impossible and the only options available are telephone, e-mail or instant messenger with the possibility of conversation?

Online channels are a more difficult environment for building relationships with customers, so it is good to take care of the smallest details. Even seemingly small gestures encouraging

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people to get acquainted with the offer are important, even just remembering the customer (e.g. by sending special wishes) can be the foundation of fruitful cooperation.

A modern e-consumer has access to market information on an unprecedented scale, can quickly compare various offers and choose the offer that is the most advantageous and convenient for him, therefore he should be researched using the available opportunities provided by the Internet.

Customer loyalty is the basis for building lasting relationships

Customer loyalty on the Internet is built using several factors, e.g.: online brand image, offline brand image, perceived risk associated with making transactions on the Internet, positive opinions about the company posted on other websites, certificates granted by third parties, etc. Loyalty leaders indicate that online customer loyalty is influenced by:

• appearance of the website,

• ease of use of the website,

• description and visualization of products and services provided,

• perceived trust in the website,

• response time and page loading speed,

• uniqueness of the offer,

• reviews written by customers,

• personalize the website.

Customer loyalty can be measured. This is done using the NPS (Net Promoter Score, or Net Promoter Score), an indicator that shows what customers think of a company. The consumer loyalty index measures (https://itrix.pl).

- the propensity of users to recommend your product;

- how likely they are to buy from you again.

Practical tip

*In order to calculate NPS, we need to conduct a survey, asking one question about the company's recommendation. We ask customers to rate on a scale of 0 to 10 how likely they are to recommend our products or services by answering the question **"How likely are you to recommend the company to a friend?"**. We then need to divide all respondents into three groups.*

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- ***0-6 points*** *- Critics - is a disgruntled customer who may just move on to a competitor or even ruin the brand's reputation with bad reviews, is a critic of the brand not recommending the company;*
- ***7-8 points*** *- customers Passive in attitude - had no problems with the company, but also didn't find anything great about the brand, product or service. The chance of neutrals coming back for a repeat purchase is low. There is a high risk that they will move on to another company if they think it is better;*
- ***9-10 points*** *- this is the Promoter group - these are loyal customers who are happy with the company, will recommend the brand and product to their friends and there is a greater chance they will return for a repeat purchase.*
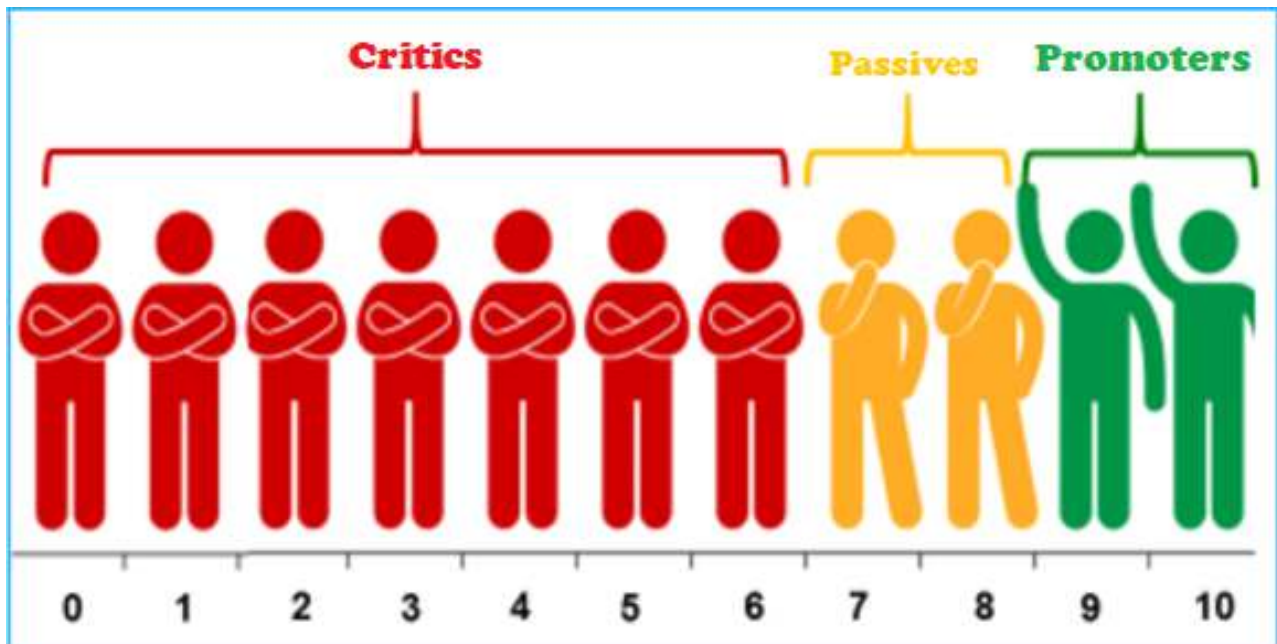
Exercises

Collect the results about your company (this can be information gathered on the internet, but it is important that a specific question is asked: " How likely are you to recommend the company to a friend?" on a scale of 1 to 10, where 1 means "most unlikely" and 10 means "most likely").

Place the values indicated by the following respondents in the table and they will be automatically assigned groups. An automatic NPS summary will appear in the final table.

| | | **How likely are you to recommend the company to a friend?** | |
| | | **Value** | |
No.	**ID**	**[1-10]**	Category
1	Respondent 1		
2	Respondent 2		
3	Respondent 3		
4	Respondent 4		
5	Respondent 5		
5			
	% of Promotors		
	% of Passives		
	% of Critics		
	Net Promoter Score		

An example of a completed table is shown below.

| | | **How likely are you to recommend the company to a friend?** | |
| | | **Value** | |
No.	**ID**	**[1-10]**	Category
1	Respondent 1	10	Promotors
2	Respondent 2	9	Promotors
3	Respondent 3	9	Promotors
4	Respondent 4	7	Passives
5	Respondent 5	10	Promotors
6	Respondent 6	5	Critics
7	Respondent 7	8	Passives

8	Respondent 8	9	Promotors
9	Respondent 9	10	Promotors
10	Respondent 10	9	Promotors
10			
	% of Promotors	70%	7
	% of Passives	20%	2
	% of Critics	10%	1
	Net Promoter Score	**60%**	a successful business

NPS (%) = % of Promoters - % of Critics

Examining customer loyalty using this metric will allow the success rate of a company or specific service to be assessed. The planning of the company's further activities related to, among other things, increasing the company's revenue must start with an assessment of customer loyalty (https://itrix.pl).

Interpretation of the results :

- If the NPS values are above 50% indicate **a successful business**;

- Values between 30 and 50% mean, that **you need to work more on creating a positive opinion of your company**, most likely the services you offer to customers do not meet their expectations;

- If you have received a score below 30% **you need to take action urgently**.

The **NPS metric allows** you to:

- **Determine how effectively a company interacts with customers and how they perceive the company** - the higher the index, the more satisfied customers are, the more likely they are to return for repeat purchases and to tell their friends and relatives about the brand;

- **Monitor service quality** - it is not always possible to identify problems in customer interactions on your own. It is easier to gather feedback from customers and track changes in the loyalty index. A steady decline in NPS is a reason to rethink the customer experience process;

- **Find the reasons for customer dissatisfaction** - a low NPS indicates that the company has a problem. Metrics won't tell you what they are - you need to look for barriers that increase customer dissatisfaction. You can do this with a detailed survey - offer a discount for completing it so that customers are motivated and their answers are useful;

- **Keep track of customer problems** and plan deliveries and sales volumes accordingly;

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- **Plan promotions** - current loyalty shows prospects for customer acquisition. If users are unhappy with your business now, you need to solve their problems first. Otherwise, attracting new users will be a failure - they will also have a negative experience and leave.

QUIZ - Customer relationship building

1. Building strong customer relationships in online business:
   A.   It is a very demanding, lengthy process
   B.   It is different from building relationships offline
   C.   Is not based on face-to-face relationships
   D.   <u>All answers are correct</u>
2. In communicating with customers through electronic channels, a very important role is played:
   A.   Personalisation of the message
   B.   Consistent message across channels
   C.   Visually appealing content
   D.   <u>All answers are correct</u>
3. A website builder:
   A.   Used to block unwanted websites
   B.   <u>It is an IT tool that allows you to create websites easily and quickly using ready-made templates</u>
   C.   It can only be used by telecommunications companies
   D.   It cannot be used in the service sector
4. Positioning:
   A.   It is a tool for controlling and motivating employees
   B.   Reduces the reach of the company's offering
   C.   Does not affect sales and revenue levels
   D.   <u>Improves the company's reputation and credibility</u>
5. SEO - Search Engine Optimisation:
   A.   <u>Is a strategy to increase the visibility of a website in search results</u>
   B.   Does not affect the traffic to the website i.e. attracting potential customers
   C.   Is the same as SEM - Search Engine Marketing
   D.   Cannot be used by online businesses
6. Hyper-personalisation of content means that:
   A.   The content communicated is not tailored to a specific customer
   B.   Customers are not satisfied with the messages sent
   C.   Customers abandon the services of a particular company
   D.   <u>Content should be tailored to the individual customer as much as possible</u>
7. SMM - Social Media Marketing:
   A.   Contributes to increased brand recognition
   B.   Contributes to building a good corporate image
   C.   Contributes to better company performance

D.   <u>All answers are correct</u>

8. Blog:

    A.   It is content written in the form of a diary in which the order of the entries and their layout does not matter

    B.   Has the least credibility among the tools for communicating information to an audience

    C.   <u>It is a tool for communicating with the customer about the products used, the services provided, the evaluation of customer satisfaction</u>

    D.   It is the company's inventory management tool

9. Content marketing:

    A.   Is marketing that content plays a central role in it

    B.   Is about providing customers with valuable messages

    C.   It's a way to reach customers in a "non-intrusive" way

    D.   <u>All answers are correct</u>

10. NPS - Net Promoter Score:

    A.   It is used to measure customer loyalty

    B.   Shows what the customer thinks about the company, its products, services

    C.   Measures the propensity of users to recommend a company's products

    D.   <u>All answers are correct</u>

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UNIT III. CUSTOMER SERVICE RELATIONSHIP MARKETING

Duration: 4 hours of hands-on session and 1 hour of self-study

Detailed topics:

1. Relationship marketing in distance business
2. CRM strategies
3. What can CRM be used for?
4. When is it worth implementing CRM?
5. Types of CRM systems
6. Which CRM system should you choose?
7. Costs of implementing CRM systems
8. Which company should you choose when implementing CRM?
9. Stages of creating CRM
10. Benefits of implementing CRM
11. For whom is CRM? Examples of CRM applications in enterprises
12. What to do if the CRM system does not function well?
13. Modern CRM solutions

Relationship marketing in distance business

Relationship marketing is a specific business philosophy whose strategic goal is to build strong, even emotional, relationships with customers. It does not focus on the product or service, but on the customer (the individual user), and is not concerned with a one-off transaction and the customer's satisfaction with it, but with building positive relationships with the customer on an ongoing basis (relationship management) and maintaining customer satisfaction after the purchase. Relationship marketing is therefore about building long-term, trust-based 'win-win' relationships that maximise customer value, satisfaction and retention (Grego-Planer et al., 2013; Ferrer-Estevez & Chalmeta, 2022; Skowrońska, 2017; Nwakanma et al., 2007).

Relationship marketing is an investment for years. At its core, it is about mutually beneficial, special and personal long-term relationships with customers (who are the company's most valuable resource) that result in emotional or social ties such as loyalty, trust and commitment. Generates strong customer relationships that increase customer satisfaction and loyalty, and ultimately company profits. Emphasises the importance of continuous interaction between the company and the customer, mutual communication (informing, mutual learning) for the development of a long-term relationship. Focuses on how to

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develop, maintain and strengthen relationships with current customers, rather than focusing on attracting new ones (Nwakanma et al., 2007; Wen Shien & Yazdanifard, …; Hendriyani, 2018).

Practical tip

Research shows that existing customers make repeat purchases, helping to sustain the business. Retaining customers is much cheaper than acquiring new ones. It is estimated that it can cost five times as much to acquire a new customer as it does to retain an existing one (Johanesova & Vanova, 2020).

By progressively implementing certain phases, relationship marketing makes it possible to:

Attract new customers - optimise your offer and sales methods to suit specific customers 100%;

Increase the profitability of existing customers - gain the favour and trust of customers, and with it good feedback and a great image and referrals - satisfied customers are able to recommend the company and its products to other potential customers;

Retain loyal and profitable customers - retain loyal customers for life and benefit from their purchases or involve them in the life of the brand.

Chart 13. Phases of relationship marketing

Source: own elaboration based on (https://blog.sky-shop.pl; Ilieska &Alavantija, 2016)

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The key features of relationship marketing are:

creating new value for the customer

enabling the customer to participate in the co-creation of the product

customer loyalty analysis

building a lasting relationship between the buyer and the seller

extending marketing activities to relationships with the environment

construction of the so-called partnership chain with other entities in the distribution channel

Chart 14. The key features of relationship marketing

Source: own elaboration based on (Snarska, 2021)

Customer relationship management is the heart of every business. Customer relationship management is handled by the CRM (Customer Relationship Management) system, which is the heart of the company's technical infrastructure. It is a very important tool supporting the customer at every stage of his relationship with the company, product or service.

Practical tip

CRM systems are the fourth most frequently used tool in marketing.

CRM systems enable monitoring customer purchasing behaviour and also record whether the offers or information sent to the customer are read/ignored/unopened or are simply unattractive to the customer because they do not encourage him to take any action back. CRM systems record all this on the service provider's side, enabling data analysis and thus - for example - generating a personalized SMS message when, for example, a customer visited a website but did not buy anything, or the service provider sends him a survey to determine which products or information the customer was/still is interested in, and sending

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him only such offers. Managing such source data in connection with marketing activities is one of the many possibilities offered by CRM systems (Ostrowski, 2020).

The idea of relationship marketing and CRM systems is to build long-term relationships with the environment, especially with customers, in order to increase the company's profitability and reduce costs. Systems of this type collect, store and analyse customer data, combining them with, among others: history of transactions and interactions with the company or information about the company's offer.

Practical tip

The conditions for the effectiveness of CRM include, among others:

• *close contacts with the client,*

• *control and continuous analysis of their progress,*

• *information technology and databases.*

Chart 15. What is a CRM
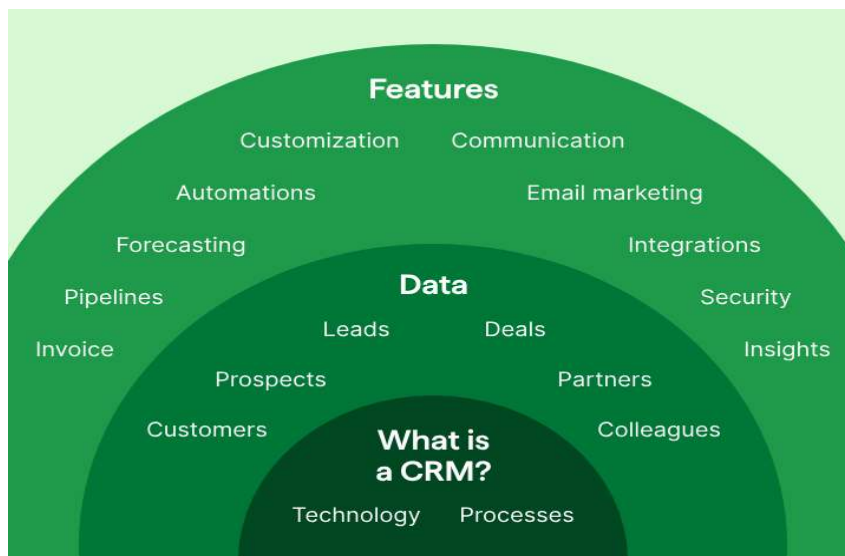
Source: (https://www.pipedrive.com)

CRM strategies

A CRM strategy is a company-wide action plan that helps improve customer relationships while reducing costs and increasing revenues. This means that a CRM strategy can make it

easier to manage both internal and external contacts from one centralized platform, thus supporting the achievement of specific goals. A CRM strategy may include key stakeholders, success metrics, timelines, financial considerations, onboarding and staff training, and how the project supports overall company goals. There is no rule as to how many CRM strategies a company needs. Many companies combine various plans and activities to create a CRM strategy that will allow the company to achieve all organizational goals. Typically, a CRM strategy is used in conjunction with CRM software for strategies relating to marketing campaigns, customer service interactions, and sales. While specialized software is not necessary to create a CRM strategy, it is useful in the context of managing touchpoints, storing contact information, predicting potential future sales, communicating with customers, and tracking the customer lifecycle. As a reliable source of customer data, CRM software can help reduce errors and eliminate customer service gaps and sales errors. By directing your CRM strategy based on this data, you can manage the entire customer acquisition process, create a more personalized sales strategy and provide better customer service (https://dynamics.microsoft.com).

Exercises

If you want to build a CRM strategy, you can use the following 7 steps.

No.	STEP	Description	Action
Step one	Define your vision and outline your goals	Make sure the goals of your CRM strategy are the same as those your organization wants to achieve. When creating a CRM strategy, you should consider the overall business strategy and overall business goals of the company. A simple way to define them is to use the SMART goals method (specific, measurable, achievable, relevant, time sensitive), which assumes that goals should be specific, measurable, achievable, relevant and appropriately distributed over time. A good CRM strategy framework ensures that project managers are always properly addressing all touchpoints and objectives, implementing appropriate actions in areas critical to success. The CRM strategy framework is constantly evolving and allows you to see valuable information, business goals and appropriate actions for the team to implement to increase the value generated;	Your goal: specification: measure (indicator): achievability: (YES / NO) relevant: (YES / NO) time duration:
Step Two	Identify Your Audience	To create a relationship between your company and your customer, you need to understand who that customer is. Regardless of whether the client represents your ideal recipient or a representative of the general target group, you need to find out what characteristics characterize your recipients in order to be able to reach them with your message and marketing content - the most important thing for you should be the client and his real needs.	(1) Consult with your marketing, sales, field services, and customer service teams; (2) Distribute appropriate targeted surveys through all contact points and record the results; (3) Analyze customer profiles and talk to other customers to get detailed feedback.

Step Three	**Conduct Customer Acquisition Mapping**	Understand all possible initial touchpoints in the customer acquisition process. A CRM strategy can be compared to a more advanced version of a sales funnel - both tools are designed to help attract customers and increase conversion rates, but a CRM strategy goes a step further and addresses specific customer needs to help build stronger, longer-term relationships. With a reliable CRM strategy in place, you can capture data at every stage of the customer acquisition process. This data can provide insight into details about each type of audience, thereby helping to structure all buyer profiles.	Ask the following questions: (1) Which teams are interacting with customers in this stage? (2) How can these interactions be improved? (3) What is the type of communication? (4) Is there a better way to convey the message? (5) What does your audience want at this stage? (6) What problems might recipients face? (7) How can you provide better service to your customers?
Step four	**Organize CRM components**	When analyzing your conclusions, pay attention to areas that can be improved. For each area of the business to be effective, each component of the CRM strategy must be able to solve specific customer problems. Depending on the type of CRM tool used, it is possible to further divide these components.	It takes into account the following elements: (1) Customer service (2) Human Resource Management (HR) (3) Lead management (4) Marketing (5) Sales (6) Analytics (7) Pipeline management (8) Workflow automation (9) Business reporting
Step five	**Get to know the market**	After implementing your plan, you need to check how its effects compare to the competition. Without information about how your competitors are doing on the market, you may have difficulty determining your own position in the market. Once you've answered these questions, you can use the information you gain from your CRM strategy to direct your message to the right people and target your customers.	Ask the questions: (1) How does your company fit into the market landscape? (2) What are the unique elements of our sales offering? (3) How do our competitors differentiate themselves from us? (4) What trends can you currently observe in the industry? (5) Are there any new sales opportunities we can try?
Step six	**Consider adding technology**	Enriching your CRM strategy with innovative technologies will make it easier for your team to perform tasks. Artificial intelligence (AI) can be used to implement AI-powered chatbots to record customer interactions and gain knowledge based on feedback. Automating workflows helps customer service teams as they interact with customers by letting customer service representatives know what they can say and when to most effectively deliver information to the customer. Integrating automation and the use of an AI interface gives sales, marketing and customer service teams more free time that they can devote to retaining more leads, closing more deals and reducing costs;	Determine what technology will be used to implement which elements of your strategy.
Step Seven	**Invest in CRM Software**	Investing in CRM software can help you put your CRM strategy into action. It is essential to implement CRM software that will evaluate current processes to discover areas of inefficiency, meet all organizational requirements and drive the company's CRM strategy. As you manage your new CRM software, you'll have the ability to refine customer data that's useful to all teams, so every user has an overall picture of customers, goals, objectives, and performance requirements.	(1) Specify a CRM system: (2) Estimate the costs of its use: (3) Identify people who use it:

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What can CRM be used for?

CRM systems can be used for:

Optimizing the sales funnel

- CRM attracts potential customers and forwards them to the sales team, but monitoring opportunities and follow-up actions is only possible with a solid, organized system; a good CRM platform helps you track all sales activities before and after conversion.

Retaining as many of the best customers as possible

- The more data collected about the recipients, the easier it will be to define your ideal customers; visual funnels, reports and manager dashboards will inform marketers at every level who to target for the best results. By tailoring your marketing content, you can engage the right buyers: those most likely to become loyal customers.

Building lasting relationships to increase customer loyalty

- **C**RM software that helps solve specific problems, strengthens trust and keeps customers coming back.

Improving cross-team collaboration to achieve important goals

- Companies with well-integrated sales and marketing departments were twice as likely to exceed their planned revenue goals than companies with poor integration between teams.

Eliminating unnecessary work to increase efficiency

- Salespeople and marketers often waste valuable hours performing administrative tasks. The right CRM can take care of most – if not all – repetitive work through automation, allowing team members to spend time building relationships with potential customers and servicing existing ones.

Chart 16. Aims of using CRM system

Source: (https://www.pipedrive.com)

When is it worth implementing CRM?

A CRM system is a beneficial solution for virtually every modern company in which contact with customers and the sale of goods or services are important. Thanks to this, you can effectively develop your own brand and maintain a high standard of customer service. It will be a good choice both for companies that are just entering the market and for larger companies looking for a way to improve the functioning of the company (https://blog.businessweb.pl). Examples of companies that can implement CRM and gain specific benefits include organizations from virtually every sector - from e-commerce, through mobile operators, to service companies dealing with, among others, medicine or science.

Practical tip

A CRM system implemented correctly for all teams in the company increases the level of providing the highest quality customer service by 14% (https://www.anegis.com).

Types of CRM systems

Operational - programs in this category are primarily used to store information about offers and customers. Using them, you can automate various company processes and use available resources more efficiently. The most important goals of using such systems are to improve sales and the quality of customer service

Analytical – includes the so-called back-office operations, i.e. tasks related more to the operation of the company itself than to customer service. The analytical capabilities of such software help in forecasting customer relationships, planning marketing activities and drawing conclusions from available data

Informational - they focus on combining the tasks of various departments. This is a solution that improves communication between individual parts of the company. As a result, you can count on numerous benefits in every aspect of the company's operation - the main advantages are increased efficiency of various processes and easier transfer of information.

Chart 17. Types of CRM system

Source: (https://blog.businessweb.pl)

Which CRM system should you choose?

There is no perfect CRM system that will work always and in every company. A given program function may be treated as invaluable by some entrepreneurs and completely useless by others. There is no perfect CRM that will meet the expectations of all users. The choice of system should be approached individually, paying particular attention to the purpose for which the company decided to implement the software and the expectations towards it.

The market offers a very large selection of CRM systems, so before implementing it, you should consider which system functionality to choose to best suit the specific nature of the company to maximize the benefits of implementation. Determining the key functionalities of the system must be done before the stage of talks with CRM application suppliers and verified before selecting specific software. The knowledge and extensive experience of the

CRM system provider will be helpful in this direction, so it is important to choose a business partner with appropriate references (https://itcube.pl).

Pre-implementation analysis
- Defining expectations towards the CRM system, functions, application procedures, method of implementation

Configuration based on analysis
- Preparing the system for use in accordance with previous pre-implementation analysis. It is also based on the appropriate configuration of functions, screens, checkboxes, users and access rights.

Importing data
- Importing all data used in the CRM system - e.g. product lists, customer data, contractor classifications, information materials, document templates, archived sales documents, etc.

Creating document templates
- Thanks to them, you can generate new documents and automate filling in the required fields with data from the CRM system. These templates are used in: correspondence templates, offer forms, protocols, contracts, etc.

Creating additional reports
- In addition to the standard reports existing in the CRM system, additional reports are created in accordance with the requirements of a given organization and its method of operation. This requires defining data sources, page layout, criteria, charts or other arrangements.

Integration with other systems
- CRM connects to other systems used in the company, for example: a trading system, a warehouse system, an accounting program or an e-mail server. Additionally, this may concern connection to the call-center system, telephone exchange or website.

Operation training
- End users and administrator in the daily use of the CRM system. This is done after implementing the above-mentioned activities to be able to relate the CRM system to everyday working conditions in the company; This also involves post-implementation support, provided remotely and with the participation of consultants from the company implementing the system.

Chart 18. Steps of CRM system implementation

Source: own elaboration based on (https://itcube.pl)

Practical tip

The implementation of the CRM system in the company - including the preparation of the entire infrastructure, training and consultations, as well as "post-implementation care" - is handled by specialized companies. Here is an example of ITCube Software (https://itcube.pl/wdrozenie-crm).

Costs of implementing CRM systems

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When deciding to implement CRM, it is worth considering, because these are investments associated with certain costs. However, when assessing these systems from a perspective, it quickly turns out that they become an indispensable tool for company management, streamlining many processes. When choosing a specific solution, the following issues will be important (https://blog.businessweb.pl):

• available features and packages,

• how to use the software (e.g. in the cloud or within your own infrastructure),

• possibilities of integration with other solutions used by the company,

• ease of use,

• price of purchasing and maintaining the software.

There is no standard price list for CRM systems because each organization is different. The price of system implementation depends on factors such as:

• time-consuming nature of the work carried out,

• the degree of difficulty in implementing individual stages of CRM implementation.

By learning the client's basic requirements for the CRM system, the implementation company is able to determine the estimated cost of implementing the program. A more accurate quote is usually provided after receiving your exact requirements. Then a detailed cost estimate and work schedule are prepared (https://itcube.pl).

Example

To choose the best CRM, best suited to the company's needs, it is worth using the help of online advisors and consultants:

• on the website (CLICK HERE), you can take advantage of free consultations that will help you choose the CRM system that will best meet the company's expectations and requirements;

• a free 19-question checklist that helps you choose the best CRM for your company (CLICK HERE).

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Practical tip

If implementing a CRM system turns out to be too expensive for a small and medium-sized company, free open source versions are available on the market. Recently, more and more global corporations are opting for free solutions in order to reduce the costs of purchasing new software. The most famous corporations using Open Source CRM solutions include: Coca-Cola, Toyota, FUJIFILM, Loomis, Kia Motors, Axa and many others. The undisputed leader of open CRM systems is SugarCRM. Work on the development of the system has been ongoing since 2004. It is a Commercial Open Source product. The free version of the system (SugarCRM Community) can be downloaded, installed and used without paying additional fees. SugarCRM also offers paid versions that have a wider range of functionalities. The customer can decide for himself whether it is more beneficial to purchase the licensed version or adapt the free version of SugarCRM Community (https://sugarcrm.com.pl). When it comes to the functionality of the standard version of SugarCRM, it is an ideal solution for the small and medium-sized enterprise sector (after appropriate configuration). It allows, among other things, for: comprehensive management of customer relations (leads, contacts, contractors and business partners), management of sales opportunities and the sales process, management of internal and external projects, as well as management of advertising campaigns (mailing marketing).

Example

TOP 5 free CRM systems in Poland:

sugarcrm	***SugarCRM*** *– the undisputed leader of open CRM systems in the world; offers both paid and free versions (also in Polish); the free version, SugarCRM Community, is slightly less functional and contains fewer tools compared to the paid version; However, this does not mean that it is worse; the scope of its functions is very wide. Available options include: a personalized user panel, the ability to link any system elements, the ability to quickly add new objects from the subpanel level, event planning and registration, mass data import and export, and matching search criteria. The most important advantages of the system include: (1) a simple creator of your own solutions; (2) a lot of trusted customers; (3) lots of possibilities and built-in functions. Unfortunately, SugarCRM has its drawbacks. It has a slightly outdated layout and may cause some problems when it comes to compatibility with popular web browsers. The best solution is to use it on Google Chrome;*

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	VTiger - *SugarCRM and VTiger are similar; the number of available functions in the VTiger software is also very large, which is a huge advantage of this system; the entrepreneur can take advantage of free extras, including: for MS Office and MS Outlook and Mozilla Thunderbird e-mail programs. The system has many configuration options, but its main disadvantage, similarly to SugarCRM, is its outdated layout.*
	SuiteCRM - *was created on the basis of SugarCRM Community Edition. It is distinguished by a wide range of possibilities that go beyond the standard applications of competing systems. You can use, among others: from registering customer requests, project management, recording meetings and telephone calls, automation wizard, integration with Google Maps or event management.*
	OpenCRX - *is considered by many to be the best fully free and accessible CRM. The manufacturer has very ambitious development plans - the system is developing into the class of ERP systems. CRM currently allows for free configurations and provides many useful tools. The good quality of documentation is also noteworthy. Unfortunately, some imperfections must be mentioned - first of all, it is not intuitive, and the Polish version is imperfect.*
	Fat Free CRM – *a good solution, especially for small and beginner companies. It is very easy to use, it takes little time to master the available functions. All necessary applications are available in the system. Unfortunately, people who are looking for a CRM in the Polish version should probably give up this system. The lack of a version in Polish may be a big obstacle for many people, even though CRM is very easy to use. It is also distinguished by the high quality of the system code. You should also remember that the program has only basic functions and is unlikely to be widely used by a wide range of users.*

Source: (Poradnik przedsiębiorcy, https://poradnikprzedsiebiorcy.pl/-5-darmowych-crmow-ktore-ulatwia-ci-prace)

Example

On the AppMaster website (https://appmaster.io/pl/niestandardowy-crm) there is a guide that presents the process of creating a custom CRM on your own (following the steps discussed there), covering all stages from idea to launch. It offers actionable insights, best practices, and common mistakes that help you create a CRM that fits your business. It contains valuable information for both technical novices and experienced developers. AppMaster is a powerful tool that simplifies and accelerates the CRM development process by handling technical aspects in a streamlined way. This process can be divided into the following stages:

Specification - the user provides the CRM specification by entering data schemas, business process diagrams, endpoints, variables, UI elements and triggers into AppMaster Studio. These inputs serve as blueprints for the future CRM application and are stored as documentation.

Code generation - after clicking the "Publish" button, AppMaster processes and standardizes the provided specifications. It then generates the source code of the CRM application in various languages such as Go (backend), Vue 3 (frontend), Swift (iOS) and Kotlin (Android). AppMaster uses parallel processing and exceptional performance to generate code at an impressive rate of over 22,000 lines per second.

Build - Once the code generation is complete, AppMaster builds the CRM application, focusing on back-end compilation and connecting the web applications. This step only takes a few extra seconds.

&

Testing - before implementation, AppMaster conducts a thorough testing phase to ensure the functionality of the CRM application and identify potential problems.

Packaging and storage - Backend applications are packaged into Docker containers for isolation and then pushed to a dedicated Docker registry on the platform. These containers are temporarily stored until deployment. Similarly, web application packages are compressed into zip archives and uploaded to an artifact repository for hosting or deployment.

Implementation - the last stage involves implementing your own CRM on target servers, making it available to users.

Chart 19. CRM development process

Source: (https://appmaster.io)

Practical tip

Remember that: when choosing the free version of CRM, it may turn out that the costs of self-implementation may ultimately exceed the costs of implementation carried out by a professional external company - although it all depends on the

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specific case. Why? An external company carries out the implementation with the help of experienced specialists who are able to adapt the system to the company's needs much faster and with greater precision. Another advantage of using the services of an implementation company is the warranty period. During its duration, the implementation company is obliged to provide support during operation and repair of possible system failures. Companies often also offer training, technical support (corrections, eliminating possible errors) and many other facilities as part of the package. In reality, the main source of savings when choosing Open Source products is the lack of license fees for their use, and implementation costs must be incurred anyway (https://sugarcrm.com.pl).

Example

The free version of the CSR application is offered by Firmao. The system is intended for small (CRM program for a small company) and medium-sized production, service and sales companies. It also functions as a program for training companies. As a Polish CRM, the program is implemented in companies that require contact with leads (customer database program) or regular companies (customer database program). CRM software for small businesses Firmao is the best CRM software for companies planning dynamic development, it can be implemented within 1-2 weeks. The company's CRM platform, CRM software is online CRM software created in Poland (CRM Polska, Polish CRM). Every year it receives the highest ratings in the rankings. The modular structure of Firmao's custom-made CRM solution allows for easier adaptation to specific needs than in the case of competitive CRM programs (compared with: Bitrix24, Hubspot, Pipedrive, Salesforce, Zoho). The link below takes you to the company's website where you can arrange a CRM presentation or try the free version (CLICK HERE).

Example

By using Zoho CRM software for customer relationship management, you can see for free what Zoho CRM can do for you and your company before you decide to implement it throughout your organization. With standard 24x5 support and premium 24x7 support, a team of experts is ready to help you at any time (CLICK HERE).

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Chart 20. Advantages of Zoho CRM system

Source: (https://www.zoho.com)
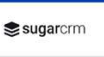
Chart 21. Comparison of Zoho with other CRM systems

Source: (https://www.zoho.com)

Which company should you choose when implementing CRM?

There are many companies offering CRM solutions on the market, and what's more, it is a very dynamically developing market, which is why the offer in this field is getting richer every year. The most popular CRM solutions are solutions from global, globally recognized brands (e.g. SAP; Micorosoft; SalesForce), whose producers are often international corporations with networks of business partners in various locations. Thanks to this, international companies have access to the same technologies in their branches around the world. These companies compete with local business software providers, adapting to the needs

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of especially small companies that cannot afford expensive solutions from well-known brands. When choosing CRM, especially for a small company, it is worth taking into account the offers of local companies. Entrepreneurs are no longer confined only to foreign products. Local companies compete on price. Their advantage is also easy and quick contact directly with the system manufacturer, which facilitates solving emerging problems. System suppliers often offer training for employees on how to use the system, as well as post-implementation contact, as part of the package. Unlike long decision-making processes and document flows existing in corporations, customers of local companies can count on efficient and quick service. This applies not only to the stage of identifying needs, sales talks and presentations, but also to after-sales service and submitted ideas for the development of the CRM system (https://itcube.pl).

Price is important in the process of selecting a CRM system, but it should not be the main criterion for choosing software. Please remember that the CRM system will be the main work tool for many employees, so it should be tailored to the company's needs and user-friendly and ergonomic. When choosing a local CRM, you can usually expect lower prices than in the case of foreign systems, and this will especially apply to implementation and training services or additional programming work.

Example

CRM software for companies:

salesforce	A cloud-based system that currently accounts for as much as 20% of the CRM market. It is the most popular system in the world. Its capabilities include sales and marketing management, report creation, business process automation and data analysis. The advantages include: access from any device, but the disadvantages include the relatively high price and the lack of total control over updates or system availability. However, it may turn out to be too expensive for small companies, it is often used by large companies with high budgets. On the website (CLICK HERE), there is a review of the system, it is also possible to test the system.
HubSpot	A CRM platform that is becoming more and more popular thanks to its extensive functionality. With its use, you can improve virtually all processes taking place in the company. Compared to Salesforce, HubSpot is easier to use and also less expensive. Another advantage is quick and efficient integration with many other systems used by enterprises. On the website (CLICK HERE) you can find 30 minutes demonstrated video that presents HubSpot functionalities. On the website (CLICK HERE), there is a review of the system, it is also possible to test the system.

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pipedrive DESIGNED TO KEEP YOU SELLING	In the CRM ranking in 2023, it took 1st place. This is easy-to-use software that offers quite a lot of possibilities in managing relationships and sales processes. However, its functionality focuses mainly on sales itself, so it will not always be the best option. It is a system accessible to everyone - from small teams that need the basic functions of the tool (for just EUR 14.99/user) to large corporate clients who, thanks to the extensive functions of additional modules, can develop their system and automate it in the way they need it. On the website (CLICK HERE) there is a review of the system, it is also possible to test the system.
Livespace	According to specialists, very similar, although slightly worse than HubSpot. Despite the minimalist user interface, it is an accessible and intuitive system that offers many possibilities. What deserves the attention of Polish companies is the fact that thanks to the built-in search engine, you can complete company data by entering your Tax Identification Number (integration with the Statistics Poland database). The advantage of this system is good integration with e-mail boxes, and thanks to add-ons such as Calltracker, it is also possible to record telephone calls (only available in Android phones). Thanks to continuous improvements, the system now boasts an interesting analysis of statistics with a set of tips for users - the system draws users' attention to possible problems occurring during the sales process. On the website (CLICK HERE) there is a review of the system, it is also possible to test the system.
FIRMAO	It often goes beyond traditional CRM and is considered a "small command center of the entire company". It includes functionalities such as: warehouse, bidding, payroll, human resources, and project supervision. The system's creators offer the possibility of adapting it to the individual needs of each enterprise. This is an additionally paid service, but it allows you to tailor the system to your own specific needs. On the website (CLICK HERE) there is a review of the system, it is also possible to test the system.
Zoho CRM	Part of the Zoho office suite, it includes some useful programs for businesses. The most important advantages of this solution include its low price, making it an interesting choice for small companies. However, it should be borne in mind that low costs also result in limited functionality.

Source: (https://blog.businessweb.pl; https://www.sellwise.pl; https://www.zoho.com)

Practical tip

On the website (CLICK HERE), the functionalities of the Freshsales, Salesforce and HubSpot systems were compared using a number of criteria. It is also possible to test these systems for free.

Example

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In small enterprises, as much as 23% of work time is spent manually entering data into, among others: still popular static spreadsheets. Thanks to CRM solutions such as Salesforce, this time can be spent, among others, on: to find, service and maintain relationships with customers. Salesforce allows, among other things:

Improve telephone service - thanks to integration with the telephone, you can, for example, know who is calling before you start talking. The entire contact history with this customer is displayed on the screen. During the conversation, you can enter notes into automatically created records, e.g. new cases or contact details. And all this without touching your phone.

Better identify returning customers - relationship marketing takes care of returning, existing customers; if a known contact calls, thanks to Salesforce, the employee has an on-screen insight into his/her current relationship with the company; thanks to the Lightning Service Console module running within Salesforce, employee productivity increases. Access to details of the customer's history and his interactions in a 360-degree view allows you to reduce the response time during the conversation, and thus increase customer satisfaction and his chances of further cooperation with the company.

Secure customer loyalty - employees using the CRM system have all the necessary data and opportunities to get to know their customers - what they need, how often they contact them, how they like to be served. This allows them to have an individual approach. This will increase customer satisfaction. The Fielo Loyalty module within Salesforce is a loyalty program that allows you to increase customer loyalty.

Monitor posts and respond faster on social media - master the entire process of servicing customers from Facebook, Twitter, LinkedIn and many others thanks to the Social Customer Service function belonging to the Service Cloud platform in Salesforce; you can, for example, automate the handling of keywords, hashtags or recognize the language in posts about the client.

Increasing customer satisfaction - tools in customer service systems support control over contact management in the company and track interactions with customers; thanks to this, he can talk to the customer in such a way that he feels remembered and therefore satisfied with the service. This translates into more effective sales.

Serve key customers more efficiently - thanks to Sales Cloud, a tool for supporting sales departments available on the Salesforce platform, you can manage contacts more efficiently. The Contact Management function of the CRM system allows easy access to key customer data and communication history.

Chart 22. Advantages of Salesforce system

Source: (https://craftware.pl)

Salesforce is the most popular CRM solution in the world. However, for many, especially small and medium-sized companies, it may turn out to be too expensive. An alternative may be, for example, Bitrix24 as a free alternative to Salesforce. It is a modern CRM offering an unlimited number of details, a product catalogue and more.

Practical tip

On the website (CLICK HERE), there is a ranking of the best CRM systems for SMEs. When creating it, several dozen products available on the market were tested and compared, assessing them based on carefully selected criteria, including

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their price. Thanks to this, the customer obtains a lot of information helpful in choosing the right system for his needs. Additionally, it is possible to test the systems compared in the comparison for free.

How to use the ranking there?

• Based on the data in the table, select several systems (e.g. two or three) that best meet the requirements of your company;

• Each CRM system has an extensive review that helps you get started and take your first steps in the software and assess whether the CRM system actually fits your organization's needs;

• Review analysis allows you to select those systems that are worth testing. By clicking the "TEST" button you can try each of them in practice for free. It is best to conduct tests in a larger group - we know from experience that the conclusions from such tests are different, e.g. within one sales department. Therefore, it is worth collecting insights from various people in the company who will use the CRM system.

• The final step is to purchase the system that performed best after the testing phase.

Example

It is also possible to use a mobile CRM system that runs on tablets and smartphones. An example is the HubSpot mobile CRM system. Importantly, CRM applications can be had for free as an addition to the free version of HubSpot. Just download the app and log in with your HubSpot Online details (https://blog.businessweb.pl/mobilny-crm).

Stages of creating CRM

STEP 1: Pre-implementation analysis - Determining the needs of your company

STEP 2: Planning the budget, estimating the expected ROI (rate of return on investment)

STEP 3: Implementation/adaptation, tests, correction

STEP 4: System launch and training
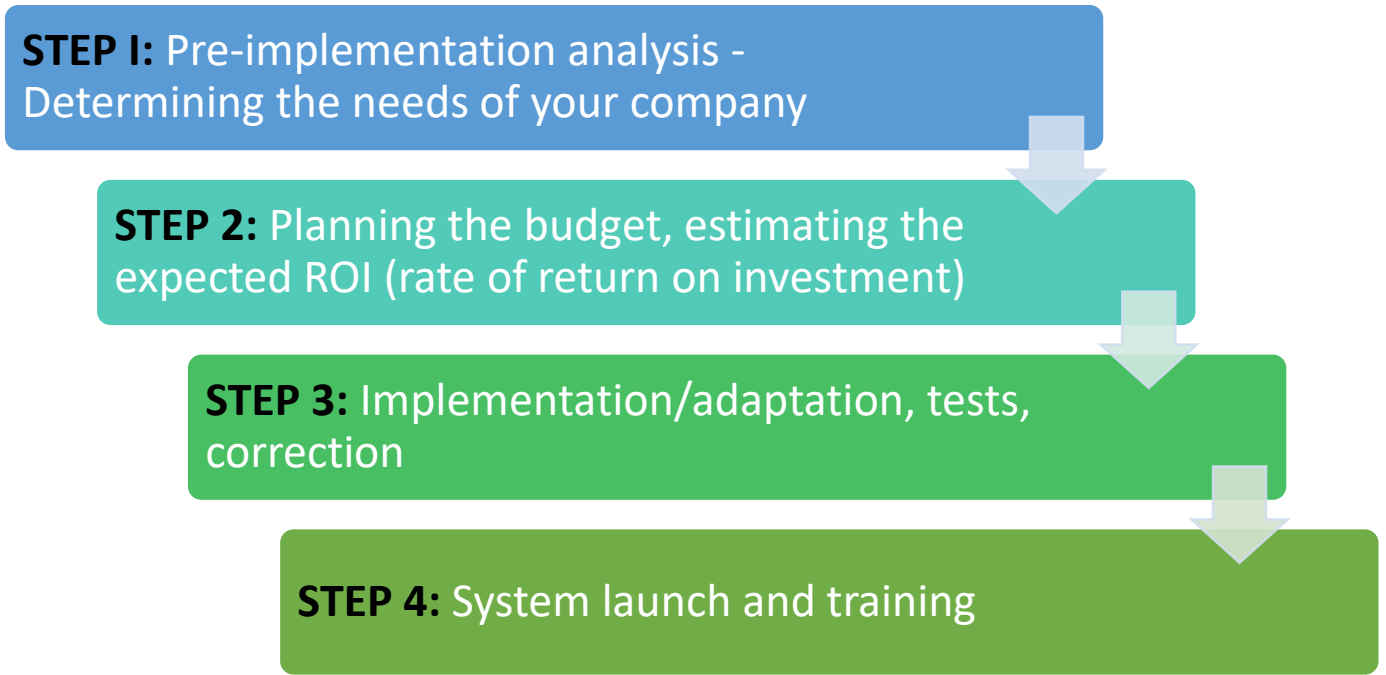
Chart 23. Stages of implementation of CRM system

Source: (https://www.crm7.pl)

Exercises

If you want to implement a CRM system, you need to take further steps, starting with planning. You can use the following tool to describe the actions taken at each stage.

STEP 1: Pre-implementation analysis

Determining the needs of your company Members of the analytical team, separated from the company's structures, should include representatives of all departments in the company. Later, selected employees will participate in talks with system suppliers and actively supervise the CRM implementation. The team's tasks include analysing three elements:

the current business model of the company	enterprise in terms of its preparation for CRM implementation	the impact of implementing CRM practices on the company's main strategy and current business model

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You can use the following table:

No.	Step	Action	Result
STEP 1	**ASSESSMENT of:** **- the current business model of the company** **- enterprise in terms of its preparation for CRM implementation** **- the impact of implementing CRM practices on the company's main strategy and current business model**	specify technical resources:	
		expectations of all potential users of the system (by examining them):	
		define business processes and prioritize them:	
		get information about available CRM systems and their manufacturers or suppliers:	
		define the business goals of the implementation (e.g. reducing indirect sales costs, shortening order processing time, increasing turnover in a specific segment, etc.):	
		create a vision diagram for maintaining relationships with customers:	
		Checklist	**Checklist:** • list of business processes, arranged by priority, • list of hardware and software requirements, • short list of requirements (introduction to defining the functionality of the system), • list of requirements for staff.

STEP 2: Planning the budget, estimating the expected ROI (rate of return on investment)

You should establish the financial framework within which you can operate when choosing a system, then estimate how the implementation will affect cash flow, the company's quotations, its brand, reputation, and what other financial implications the CRM implementation brings. The option of a failed deployment should also be considered.

You need to answer the following questions:

STEP 2	**Planning the budget, estimating the expected ROI**	What costs will the company incur due to such a failure?	
		Is there a risk of bankruptcy?	

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(rate of return on investment)	Do implementation costs constitute a significant part of the company's capital?	
	Checklist	Checklist: •final decision concerns CRM implementation **(YES/NO)**

Such an objective analysis is extremely important and is worth spending time on before making the final decision to implement a CRM system.

STEP 3: Implementation/adaptation, tests, correction

This is the longest (proper, fundamental) stage of implementation, in which the supplier prepares the system according to the prepared analysis. Then, it tests them internally in terms of ergonomics, technical and logical aspects, and in this form it passes the system on to the end customer for testing. This is also the time to implement corrections reported by customers. It is therefore worth working closely with the implementation team at the testing stage to avoid any misunderstandings and shortcomings. In this aim you can use the following table:

		Internal test in terms of the aspects:	
STEP 3	Implementation/ adaptation, tests, correction	- system ergonomics:	
		- system technical scope and functionality:	
		- system logical framework:	
		External testing:	
		- customer feedback:	
		Improvement:	
		- implementation of them (YES/NO):	
		Final version:	
		Checklist	Checklist: •all elements are done (YES/NO)

STEP 4: System launch and training

After performing all tests, the system is ready for use. The final step is to provide client-side system administrators with instructions on how to manage the system. End users are instructed by the supplier on how to use the functionalities provided to them in practice.

STEP 4	System launch and training	System management and operation:	

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		- instructions for system administrators on the client side:	
		- instructions for end users:	
		Checklist	**Checklist:** •Administrators and users use the system correctly (YES/NO).

Practical tip

The entire implementation of the CRM system may take from several days to even several months, depending on the scope, reach and budget of the project. Plan time appropriately for this activity.

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An alternative approach is to implement a CRM system according to the following stages:

- Identify your business needs
- Choosing the type of CRM software
- Development of a CRM strategy
- Gathering the development team
- Development and adaptation of the CRM platform
- Implementation and training of the sales team
- Monitoring and optimization
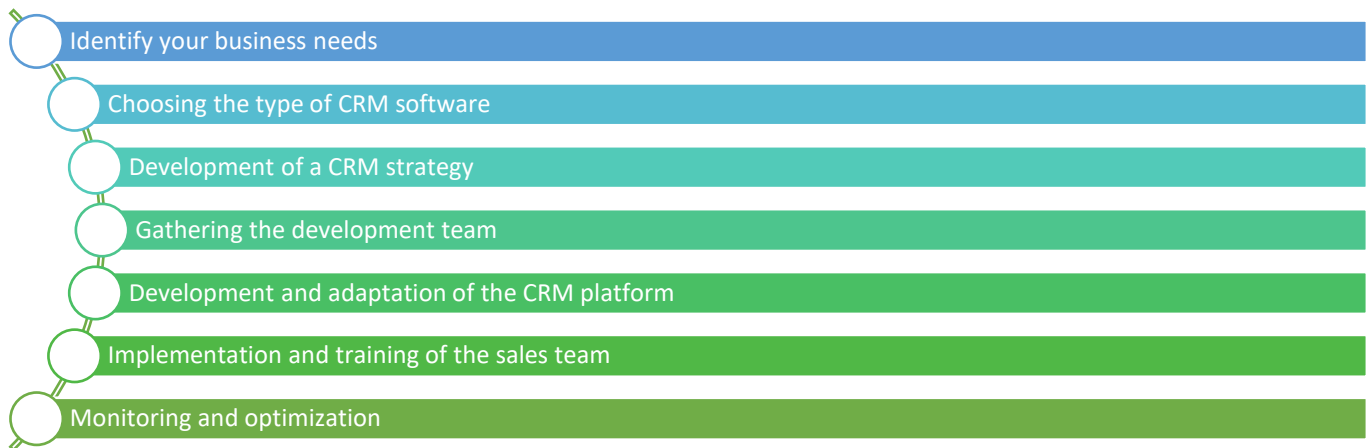
Chart 24. Alternative stages of implementation of CRM system

Source: (https://appmaster.io)

Exercises

If you want to implement a CRM system, you can use the alternative steps in this process. In this purpose use the following tables:

STEP 1. Identify your business needs

Before you start building a custom CRM system, it's essential to thoroughly understand your business requirements. Analyse your sales process, customer data management, and customer satisfaction goals to identify specific features your own CRM system should have. The better you understand your needs, the more effective your custom CRM solution will be at streamlining your sales process and managing customer relationships.

No.	Step	Action	Result
STEP 1	Identify your business needs	**Analyse of:**	
		sales process	
		customer data management	
		customer satisfaction goals	
		Checklist	**Checklist:** Identification of specific features your CRM system should have.

STEP 2. Choosing the type of CRM software

There are different types of CRM systems available on the market. Collaborative CRM systems focus on improving communication within teams, while analytical CRM systems focus on collecting and analysing data to identify customer trends. The custom CRM you create can also integrate with other tools such as enterprise resource planning (ERP) systems to synchronize data. Depending on your business, you should choose the right type of CRM platform that allows for customization.

STEP 2	Choosing the type of CRM software	Identification of the main application of the CRM system:	
		data analysis	
		improving team communication	
		non-standard need for integration with other systems	
		Checklist	Checklist: Identification of specific purpose of your CRM system and sales decision (YES/NO).

STEP 3. Development of a CRM strategy

Before starting CRM development, you need to create a strategy that will guide the project. This strategy should include a detailed project plan that defines your project goals, identifies the custom CRM applications and features you want to develop, and identifies the resources needed to build your custom CRM.

STEP 3	Development of a CRM strategy	Development of a CRM implementation strategy:	
		project goal	
		CRM applications and features to be developed	
		resources needed to build a custom CRM.	
		Checklist	Checklist: Plan of CRM system development (YES/NO).

STEP 4. Gathering the development team

You need to assemble a team of qualified specialists who will collaborate on a custom CRM solution. This team should include developers, project managers, designers and testers. It is important that all team members have experience in CRM software development to deliver an effective, bug-free, custom CRM database.

STEP 4	Gathering the development team	Establishing a team to develop CRM:	

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		designers	
		programmers	
		testers	
		project managers	
		Checklist	**Checklist:** CRM system development TEAM (YES/NO).

STEP 5. Development and adaptation of the CRM platform

The development team will start building custom CRM applications and features based on the customer's requirements and specifications. This stage will include coding, designing and integrating your own CRM system with other business tools, if necessary. It's worth making sure your CRM platform is adaptable and flexible. A customizable CRM solution should allow for easy updates and changes as your business grows. Security measures should be taken seriously during the development process to protect customer data from cyber threats.

		Project milestones check:	
		system coding	
STEP 5	**Development and adaptation of the CRM platform**	integration of your own CRM system with other business tools	
		checking whether the CRM platform is adaptable and flexible.	
		system cybersecurity analysis	
		Checklist	**Checklist:** Achieving of CRM system development milestones (YES/NO).

STEP 6. Implementation and training of the sales team

Once you've completed your custom CRM development, it's time to implement the system and train your team to use it. Training sessions and support resources should be organized to ensure a smooth transition period. Implementing a new CRM platform may require changes to your sales process, so make sure your sales team is aware of this and ready to adapt.

		Implementation:	
STEP 6	**Implementation and training of the sales team**	launching the system in the company	
		user training	
		support during the transition period	

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		Checklist	Checklist: Users' ability to operate the system (YES/NO).

STEP 7. Monitoring and optimization

After implementing a custom CRM solution, you should monitor its performance to identify areas for improvement. You should analyse your CRM data to discover trends, track customer satisfaction, and highlight any issues that arise with your new CRM software. It's a good idea to use this information to make improvements and updates as needed.

STEP 7	Monitoring and optimization	**Monitoring and evaluation:**	
		system performance monitoring	
		analysis of system data regarding trends in customer behaviour	
		analysis of system data regarding customer satisfaction	
		collecting information about problems during system operation	
		Checklist	Checklist: Summary report for a given period of system use (YES/NO).

Benefits of implementing CRM

Maintaining close relationships with customers and implementing the CRM concept generates a number of benefits for both the company and customers (Moczydłowska & Bitkowska, 2020; Nwakanma et al., 2007):

• **marketing** - increased employee and customer satisfaction, increased loyalty of external stakeholders, improved communication, better customer service;

• **economic** - increase in revenues (loyal customers who are attached to the brand and the company are willing to pay more for the products or services offered by the company), higher profitability, decrease in the company's operating costs (it is estimated that increasing customer retention by 2% allows you to reduce costs even by 10%), competitive advantage;

• **social** - deepening bonds, increasing loyalty, respect, greater commitment, empathy, understanding, speed of reaction, cooperation instead of competition.

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CRM implementation also enables:

Improving communication with customers - thanks to CRM, the company can better communicate with customers. Employees have access to various information about customers (their preferences, transaction history, complaints, etc.). Thanks to this, they can respond to their questions and needs more effectively and faster.

Improvement of business processes - CRM enables the automation of many business processes (which saves time), supporting marketing, analytical, service and other activities, which translates into increased efficiency of the company's operations.

Increasing work efficiency, company turnover and reducing operating costs - by e.g. improving employee turnover and logistics, optimizing business processes.

Better understanding (identification, personalization) of customers and their needs - the introduction of a CRM system allows for increased knowledge about the company's customers. Thanks to the fact that all information about them is stored in one place, which ensures easier analysis and use.

Increasing sales and customer loyalty - thanks to a better understanding of customers and their needs, the company can offer them more tailored products and services, which in turn translates into greater sales. Additionally, better communication with customers and the ability to track their purchasing behavior enable building long-term relationships and increasing customer loyalty.

Data analysis and business decision-making - the CRM system allows you to collect and analyze data regarding customers and business processes. Thanks to this, the company can make more informed business decisions based on reliable data.

Chart 25. Possibilities achieved thanks to the implementation of the CRM system

Source: (https://smarterp.com.pl)

Practical tip

The CRM systems can automatically assign tasks to specific employees, schedule meetings and remind about important dates. This gives employees more time to sell or manage customer relationships more effectively. The CRM system also allows you to run an effective marketing campaign, for example by sending newsletters or special offers. Thanks to the system, you can determine which products or services are most popular with customers and which areas of the company require further optimization.

Chart 26. Elements operated by CRM systems

Source: (https://www.pipedrive.com)

Implementing a CRM system is a step that can bring many benefits to the company. Thanks to this tool, a company can better understand its customers, improve business processes, improve communication with customers, increase sales and customer loyalty, and make more informed business decisions. The CRM system can be adapted to the individual needs of the company, which allows for even better operational efficiency.

Example

Various CRM systems tailored to the individual needs of customers are offered by, for example, Pipedrive. They allow you to improve a number of processes, influencing the company's efficiency. Tiffany Largie, a successful businesswoman, speaker and business consultant, noticed that her sales team was failing to properly manage their data and was losing money. Pipedrive's simple CRM solution helped her team immediately start tracking customer data in real-time. CRM software has enabled sales reps to manage multiple revenue streams simultaneously, automating the sales process to help them close sales

opportunities faster. She said: "We managed 150 to 300 contact attempts a day. With Pipedrive, we could handle this data in real time in a way that didn't require us to input a lot of data" (https://www.pipedrive.com/).

For whom is CRM? Examples of CRM applications in enterprises

CRM technologies provide a number of functionalities (depending on needs) that can be used by virtually all companies in all industries. In the case of service companies, it supports them in servicing current clients by collecting information on signed contracts as well as the progress and financial settlement of orders (https://www.connecto.pl/).

Customer relationship management software can be used by:

• **developers** - who use CRM solutions to sell apartments, store information about ongoing investments, apartments, their features and prices; also to create a customer database and store information about their preferences; the system also supports signing sales contracts.

• **manufacturing companies** – thanks to CRM, they focus on creating offers based on the received inquiry; a modern CRM system allows you to build product configurators and is integrated with the production management system to always create realistic and profitable offers;

• **construction companies** - use CRM software to manage contacts with investors, subcontractors and suppliers; a CRM system for a construction company handles inquiries, offers and orders, both incoming and outgoing;

• **trading companies** – which use CRM to create offers and collect orders for processing in the sales system. Using the CRM system, salespeople can create personalized price lists and promotions for selected customers.

Watch the video
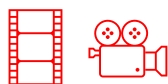
CRM solutions for developers offered by connecto.pl - *https://youtu.be/HMfLewbZ0oA*

CRM can also support **remote work**, which has become an everyday occurrence in some companies. Managing remote work may be difficult for many people involved in managing modern enterprises operating on the market. Due to the widespread nature of remote work, this skill is extremely useful, and it can be supported by online CRM - a program that allows

you to easily control a team performing their duties outside the company's headquarters. Current CRM programs, to meet modern challenges, combine a customer database with a mine of knowledge about the internal status of the company. Thanks to this, they not only allow for convenient sales management, but above all support everyday work remotely (https://synergiuscrm.pl).

Example

*CRM can be used for **project management**. By clicking on the link (CLICK HERE) you will learn how online CRM can support remote work, which has become everyday life after the COVID-19 pandemic. On this website you can also test a simple CRM online for free.*

CRM can also function successfully in **training companies**. Thanks to it, it is possible to:

Organization of the training site & materials and hiring and managing trainers and speakers

Implementation of a telephone and e-mail campaign attracting training participants

Managing a list of people interested in training and determined to participate in the training

Designating contact persons for contact with interested or determined persons

Setting individual training prices for each participant and recording comments for each participant

Generating individual training participation certificates for each participant

Automatic invoicing and sending invoices to responsible persons

Chart 27. Aspects of CRM using in training companies

Source: (https://firmao.pl/)

Example

CRM for training companies is offered, for example, by CRM Firmao. The company offers free demo versions of the software on its website, which can be tested by training companies (https://firmao.pl).

The CRM system can be successfully used in **accounting offices**. Thanks to it, you can better adapt your offer and services to meet the needs of potential partners. Insight into the history of previous interactions may be helpful when onboarding new employees, e.g. when a partner's supervisor changes. Customer service is much easier and more intuitive, even with a large number of contractors. CRM enables easy and effective management of the customer database, their contact details, transaction history and preferences. It helps to better understand the needs of contractors and respond faster to their needs, which contributes to increased loyalty. The program ensures constant contact with them through e.g. reminders about settlement deadlines, information about new services or newsletters. Moreover, it influences their retention in the company, which is very important considering the competitiveness of the industry. Moreover, thanks to data analysis, the solution allows for a more precise adjustment of the offer to customer needs, which increases the chances of acquiring new customers. Automation of many business processes, possible in the CRM system for accounting offices, allows you to save time, meet important deadlines and improve employee efficiency. Thanks to this, they are relieved of repetitive tasks and can focus on other responsibilities. Data analysis ensures better planning of marketing and strategic activities, which translates into increased effectiveness (https://sente.pl/).

What to do if the CRM system does not function well?

Only a properly selected CRM system will fulfil its function.

Practical tip

Just as 20% of customers bring 80% of the company's profit, 20% of the functionality will meet 80% of the needs in the CRM system (https://www.crm7.pl).

On the other hand, even the best CRM system will not be helpful if users cannot use it. A poorly selected system will not meet customer expectations.

Practical tip

The Pareto principle in relation to CRM systems - According to CSO Insights, up to 43% of CRM system users use less than half of the functionality (https://itcube.pl/wdrozenie-crm).

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Over 80% of Polish medium and large enterprises declare that they have a CRM system. However, many of them are not satisfied with the selected system, but due to the high cost of investing in a new CRM and the complexity of the implementation process, they do not decide to change it (data according to the Computerworld report, CRM system in medium-sized and large enterprises, 2020 (https://www.engave.pl).

If the CRM does not function well, an audit of the system should be carried out, which will identify bottlenecks that reduce its efficiency, disruptions in work flows, functionalities that are not fully or correctly used, and inconsistencies or duplicates in the data collected in the system. The audit is often preceded by workshops aimed at learning about the processes covered by the CRM system and the strategy for maintaining and developing the current solution.

Exercises

If you want to conduct preliminary audit of CRM system using, you can use the following tool. Assign a weight to each aspect so that the sum of the weights is 1.0. Give each aspect a rating, where 1 is the lowest rating and 5 is the highest.

Questions:	Rating [1-5]	Weight [0,1-0,9]	Average
• Do CRM system users actively use it?			
• Are the purchased CRM functionalities fully used?			
• Does the CRM system fulfil its functions?			
• Has there been a change in the business strategy that requires modification of the CRM solution?			
• Is there a need to optimize work efficiency in the CRM system?			
		1	
		ok	

If the average value is between 4,1 and 5,0 – it means that the system fulfils its function.

Average between 3,1 and 4,0 – system or some processes needs a correction.

Average between 2,1 and 3,0 – the system must be subjected to detailed analysis.

Below 2,0 - the system will most likely require an in-depth audit and changes in functionality/processes.

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Here is an example of a company that assessed its system. The comments appear automatically.

Questions:	Rating [1-5]	Weight [0,1-0,9]	Average
• Do CRM system users actively use it?	5	0,2	1,00
• Are the purchased CRM functionalities fully used?	4	0,3	1,20
• Does the CRM system fulfil its functions?	5	0,1	0,50
• Has there been a change in the business strategy that requires modification of the CRM solution?	5	0,3	1,50
• Is there a need to optimize work efficiency in the CRM system?	5	0,1	0,50
		1	4,70
		ok	the system fulfils its function

Practical tip

ANEGIS client, based on the analysis of individual business needs, can select the entire audit package or decide on one or several elements of the package. The full CRM solution audit package includes (https://www.anegis.com):

*• **Performance audit** – assessment of the effectiveness of the implemented solution, detection of bottlenecks and disruptions in work flows.*

*• **Code audit** – verifies the quality of the source code and its compliance with possible system updates.*

*• **Data audit** – data quality review (missing, incomplete names, contact details, email addresses, incorrect or missing product details, locations, sales stages, incorrect classification of transactions, requests and queries, etc.).*

*• **Functional audit** – checks whether the functionalities selected in the system meet the business needs of the organization and its users.*

*• **UX/UI audit** – assessment of user experience in using the system (verification of the interface and its usability).*

*• **Integration correctness audit** – assesses the correctness of CRM integration with other systems, applications and tools.*

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• **Summary** – *a detailed report covering all elements of the audit.*

• **Consulting** – *determining possible directions of system development or switching to another solution.*

Modern CRM solutions

CRM can function based on the cloud - it is then not based on the company's servers, but is available online. This is much more beneficial than the traditional solution.

on-premises CRM

Access is limited to specific devices and locations.

Manual updates can cause employees to work with outdated files.

The comprehensive framework requires specialized knowledge and time to install the program locally.

Costs increase when employees have to provide support and maintenance themselves.

Changes to the size or performance of the platform require subsequent purchases or additional programs that require time to install.

cloud CRM

You work wherever you are: all you need is your login details and a stable internet connection.

Real-time data access means all employees have access to the most up-to-date files.

Quick and simple installation: The software itself and all its functions are available online and immediately ready for use.

Vendor support and maintenance make this solution very cost-effective.

The solution is easy to scale as your business grows, with additional resources and different pricing plans.

Chart 28. Comparison of on-premises CRM and cloud CRM

Source: (https://www.pipedrive.com)

Exercises

If you want to decide which type of solution use in your company, use the following table.

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Sentences	Totally disagree	Disagree	Hard to say	Agree	Totally agree
	1	2	3	4	5
It is necessary to ensure access to the system at any time from anywhere.					
My colleagues use information from the system on an ongoing basis, so I need file synchronization.					
I am interested in a tool that is easy to use and does not require expensive implementation.					
I want to be provided with technical and service support for the system.					
I am interested in a system that can be scaled depending on changing needs.					
Overal assessment					
Comment					

Here is an example of the assessment of these aspects used by the company.

Sentences	Totally disagree	Disagree	Hard to say	Agree	Totally agree
	1	2	3	4	5
It is necessary to ensure access to the system at any time from anywhere.					5
My colleagues use information from the system on an ongoing basis, so I need file synchronization.		2			
I am interested in a tool that is easy to use and does not require expensive implementation.				4	
I want to be provided with technical and service support for the system.					5
I am interested in a system that can be scaled depending on changing needs.					5
Overal assessment	4,2				
Comment	you need definitely cloud CRM system				

More and more often, CRM systems use artificial intelligence, which facilitates the processing of huge amounts of data with few errors, and can also automate most repetitive tasks. CRM combined with artificial intelligence can help a company collect, manage and analyse customer data and improve business processes. Artificial intelligence can minimize the workload on employees and allow them to focus on value-added tasks. This increases their productivity. Artificial intelligence can be used in CRM to:

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• **personalization** - you can provide customers with a personalized experience by adapting products to their preferences; you can launch product recommendations based on historical data, conduct targeted campaigns, etc.

• **content generation** - you can create content in large quantities using keywords or phrases at a reduced cost; you can speed up the writing and editing process to suit your business requirements.

• **contacts with customers** - you can evaluate customer interactions with the brand, segregate potential leads (using the lead scoring technique).

• **sales forecasts** – you can predict how much revenue the company will generate in the coming month or year; this can be done by taking current data such as industry trends, sales funnel, surveys, customer purchase history, etc., and forecasting future sales revenue.

• **real-time engagement** – chatbots using artificial intelligence can conduct conversations with customers in real time; you can also provide immediate answers to your customers and reduce the workload of your support representatives.

• **analysing the company's situation** - you can gain insight into business results and present recommendations for the company; you can generate actionable insights and present data in a visually appealing way; you can also provide indicators of team performance, number of sales, number of products sold, cases reported during the month, etc.

Example

The development of modern technologies has led to the fact that interpersonal communication is slowly becoming forgotten. Artificial intelligence can help with customer relationships in online businesses. An example is Chatbot - it is a computer program that simulates human conversation by understanding natural language. Chatbots are used as digital assistants in a wide variety of settings, including online customer service, sales, marketing, and even GDPR compliance (https://www.smartsupp.com).

Practical tip

According to research, 82% of consumers say that receiving immediate answers to their inquiries is crucial when contacting companies. One way companies can

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meet this requirement is to implement chatbots to provide instant responses to queries to reduce customer waiting times (https://www.smartsupp.com).

More and more companies use chatbots, which provide almost unlimited development opportunities. It is modern software based on artificial intelligence that is used to conduct conversations with people. State-of-the-art tools are able to communicate with users in two ways: voice and text. They can be used on websites, in mobile applications, in social media and in external messengers - including voice ones.

Declarative chatbots – this is software focused on carrying out specific tasks. Programs of this type generate single-state responses and focus on performing only one function. Their capabilities are significantly limited and their main task is to answer key queries, e.g. by users on the website of an online store

Conversational chatbots – these are newer and currently dominate the global market. They work based on artificial intelligence, thanks to which they analyze user statements and provide clear, complex information. Additionally, they are able to predict user intentions based on the data they have

Chart 29. Types of chatbots

Source: (https://www.nexera.pl)

Chatbots as innovative software have many advantages. A few of them are:

• full automation of activities,

• 24/7 availability,

• scalability,

• low implementation costs,

• ability to quickly collect and process data,

• multilingualism,

• possibility of personalization.

Chatbots are able to answer all key questions of a company's potential customers.
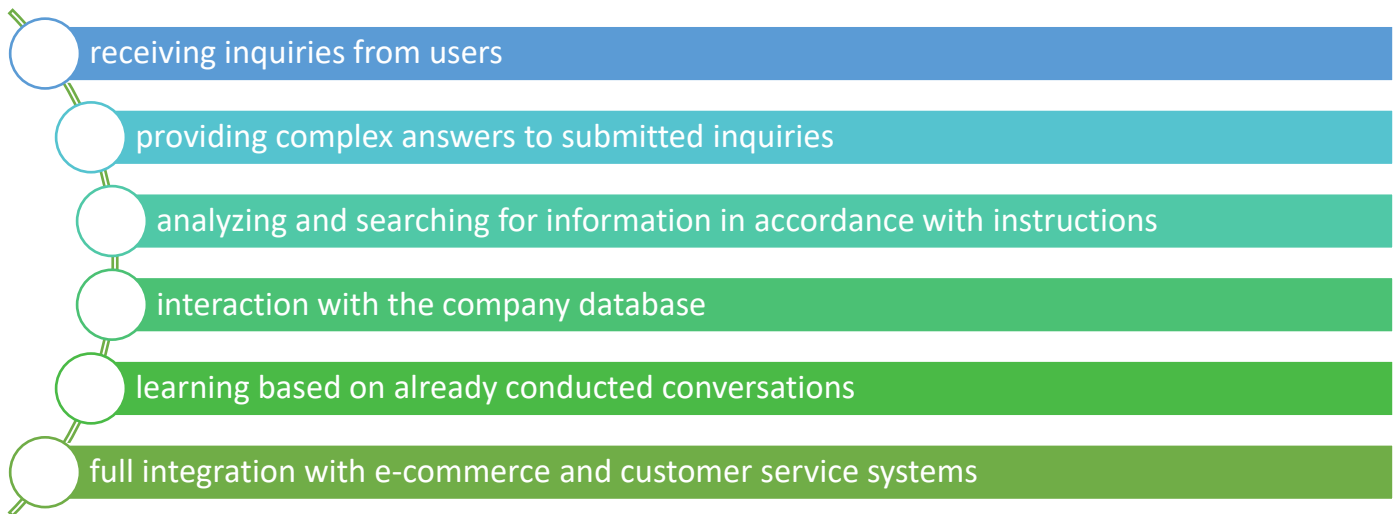
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receiving inquiries from users

providing complex answers to submitted inquiries

analyzing and searching for information in accordance with instructions

interaction with the company database

learning based on already conducted conversations

full integration with e-commerce and customer service systems

Chart 30. Tasks performed by chatbots

Source: (https://www.nexera.pl)

Practical tip

The chatbot introduced a new quality in customer contact. We respond quickly and solve real user problems.

Practical tip

You can configure the chatbot yourself, for example thanks to Smartsupp. How to configure a chatbot? (See more – CLICK HERE)

1. ***Sign up to Smartsupp*** *- it's a great customer engagement tool that helps you improve your communication with your customers With it, you can increase sales, make your online shop more attractive and streamline your customer's purchase path with a number of useful features; once you've logged in, you'll need to complete four sections:*

    (1) Objective - choose what you would like to achieve;

    (2) Survey - write how many people work in your company;

    (3) Basics - set up your live chat - enter your name and choose the chat language;

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(4) Chatbot - set up a welcome message for visitors, add answers to frequently asked questions;

(5) Install - in this section you will receive a code to insert into your website.

2. **Copy the code** - *it can be found both in the Install section and in your email inbox. Once you have received the code, copy it to the clipboard;*

3. **Insert the code generated by Smartsupp into the source code of your website**;

4. **Reflect on the most common questions and write down the answers**;

5. **Change the default settings** - *adapt them to your company profile; To do this:*

(1) Open the dashboard;

(2) Select the Automation tab;

(3) Click +New Bot;

(4) Choose a ready-made template or create your chatbot from scratch.

Example

How a chatbot is used depends on the industry? Examples of the use of chatbots in service companies:

Insurance

- applications can range from loss adjustment support to policy valuation and distribution of new forms of insurance;

Finance

- chatbots can automatically check creditworthiness, perform transactions on an account, or help pay bills; they can provide advice on choosing the right offer, investment funds, or even in the context of the investment itself;

Tourism and transport

- chatbots are ideal for travel planning, as well as for the duration of a trip; they can help with route selection and ticket purchase; they can instantly suggest accommodation according to preferences and present the most interesting places to see in a given location; an example is the Lufthansa chatbot, which will remind you about check-in, provide information about the current flight or help you if your luggage is lost;

Telecommunications

- the most common use of bots in this industry is to help customers choose the right subscription package or mobile phone. Implementation with customer accounts extends their capabilities to include checking balances and renewing contracts;

Healthcare

- virtual assistants can help patients with everything from booking an appointment to finding out about medicines and filling e-prescriptions; an interesting approach is to use this technology as a virtual nurse, reminding people to take their medicines and monitoring their health;

Administration

- the use of a chatbot in this segment significantly reduces the workload of civil servants, allowing them to focus on their core tasks; an example is the use of a virtual assistant by the Prime Minister's Office, which was tasked with providing confirmed information on the coronovirus, relieving the NHF helpline by up to 40%;

Fashion

- chatbots are ideal for presenting various catalogues, but can also act as virtual stylists, suggesting the right accessories, colours and sizes, e.g. Burberry's chatbot; using technology in this way significantly improves brand image;

In-house use

- companies are increasingly trying to use virtual assistants within the company structure; examples include chatbots assisting with recruitment or introducing new employees to the company structure and new responsibilities, holiday planning and training;

Chart 30. Use of chatbots in service companies

Source: (https://www.ideoforce.pl)

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Practical tip

The chatbot market is forecast to be worth up to US$9.4 billion in 2024, and according to Global Market Insights, the overall global chatbot market will be worth more than US$1.3 billion (https://www.ideoforce.pl).

Practical tip

On the website (CLICK HERE) you can try out the chatbot for free or make an appointment online.

Practical tip

Chatbots allow for text-based information exchange. Voicebots go one step further - they allow for natural conversation. These solutions are enriched with a speech recognition mechanism and voice simulation. We most often come across voicebots on call centres of companies we want to reach with a question or an issue we need to handle. It also happens that the voicebot proactively calls us with an offer proposal, a question about satisfaction with services or information on any topic. Voicebots are becoming more and more popular, and people have become accustomed to the fact that not every issue requires contact with a consultant. However, it is always a good idea to enable such contact.

Exercises

Consider the following example of using a voicebot. Which elements support its choice or vice versa. Try to evaluate them.

Case Study 1. Voicebot - Scheduling appointments for a large healthcare provider

Case Study 1. Voicebot - Scheduling appointments for a large healthcare provider

Challenges:	Rating [1-5]	Weight [0,1-0,9]	Average	Average	Weight [0,1-0,9]	Rating [1-5]	Key results after implementing voicebot:
High cost for a very simple task			0,00	0,00			Hotline available 24 hours a day, 7 days a week

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Long waiting times to be connected to a consultant			0,00	0,00			Instant appointments without queuing (the bot can handle an unlimited number of calls simultaneously)
Hotline only open at certain times			0,00	0,00			Increased customer satisfaction as a result of these changes
	0		0,00	0,00	**0**		
	error-sum up to 1.0		**0,00**		error-sum up to 1.0		

Exercises

Consider the following example of using a voicebot. Which elements support its choice or vice versa. Try to evaluate them.

Case Study 2. Voicebot - customer satisfaction research for a major insurance company

Case Study 2. Voicebot - customer satisfaction research for a major insurance company

Challenges:	Rating [1-5]	Weight [0,1-0,9]	Average	Average	Weight [0,1-0,9]	Rating [1-5]	Key results after implementing voicebot:
High cost of interviewers			0,00	0,00			Unlimited number of surveys conducted per day
Limited number of surveys conducted			0,00	0,00			Shorter call times - less hassle for the client
Extended duration of surveys			0,00	0,00			Maintained levels of accuracy and responsiveness to interviewers
	0		0,00	0,00	**0**		
	error-sum up to 1.0		**0,00**		error-sum up to 1.0		

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QUIZ - Relationship marketing in the customer service process

1. Relationship marketing:
   A. It is a specific business philosophy whose strategic objective is to build a strong, emotional relationship with the customer
   B. It is geared not to a one-off transaction but to the ongoing building of relationships
   C. It focuses on maintaining customer satisfaction even after the purchase has been made
   D. <u>All answers are correct</u>
2. It is estimated that acquiring a new customer:
   A. Can cost 10 times more than retaining an existing customer
   B. <u>Can cost 5 times as much as retaining an existing customer</u>
   C. Is priced the same as retaining an existing customer
   D. Is not cost-effective for the company
3. The key features of relationship marketing are:
   A. Creating new value for the customer
   B. Analysis of customer loyalty
   C. Extend marketing activities to relationships with the environment
   D. <u>All answers are correct</u>
4. Customer relationship management is dealt with by:
   A. SRM
   B. <u>CRM</u>
   C. RMC
   D. All answers are correct
5. The first step in the CRM strategy development process is:
   A. Mapping out the customer acquisition process
   B. Purchasing computer equipment
   C. <u>Defining a vision and designing objectives</u>
   D. Analysis of the company's debt
6. CRM systems can be distinguished between:
   A. <u>Operational, analytical, information</u>
   B. Control, information, political
   C. Executive, operational, managerial
   D. All answers are correct
7. There is no standard price list for CRM systems, as every company is different, the price of implementing a system depends on a number of factors:
   A. <u>True</u>
   B. False
8. Among the free CRM systems that are popular in the market, there are:
   A. Sugar CRM

B. VTiger
C. Suite CRM
D. <u>All answers are correct</u>

9. The first step in implementing a CRM system in a company is:
   A. <u>Pre-implementation analysis, identifying the company's needs</u>
   B. Implementation, adaptation, testing
   C. Internalisation, dynamics, adjustments
   D. Staff training

10. CRM systems:
   A. Are dedicated exclusively to manufacturing companies
   B. Are dedicated exclusively to service companies
   C. Cannot be used by online shops
   D. <u>Can be used by virtually all companies in all industries</u>

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Duration: 2 hours of hands-on session and 1 hour of self-assessment

Detailed topics:

1. What is a crisis?
2. What is crisis management?
3. Crisis management plan – CMP
4. How do you recognise a customer/contractor relationship crisis?
5. How to nurture customer relationships in times of crisis - the role of brand and loyalty?
6. Selfassessment

What is a crisis?

Crises are part and parcel of the way businesses operate and can be cyclical. They can be caused by endogenous (internal) factors, which are specific to the company, and exogenous (external) factors, which are specific to the environment closer to the company. The more complex, turbulent and unpredictable the environment, the greater the likelihood of a crisis. An example of this is the crisis resulting from the COVID-19 pandemic, which affected all companies in all industries worldwide and was the result of external, albeit non-economic, factors. It caused many changes, including a shift in business models. Many companies struggled to maintain business continuity, but many also saw new opportunities, such as operating online. Many e-business service companies emerged, initially out of necessity and, after the pandemic, out of choice, to operate as online businesses.

A crisis is a state that threatens the functioning of an organisation, prevents it from achieving its objectives, threatens the functioning of the organisation, introduces chaos, uncertainty. Closely related to the crisis is the crisis situation, which, unlike the crisis, refers to a state that is the result of the formation of certain unfavourable phenomena over time, which does not give rise to a direct threat to the existence of the organisation, but signifies an unsatisfactory assessment of its activities from the point of view of changes taking place in the environment and/or in relation to benchmark states (Zakrzewska-Bielawska, 2008).

What is crisis management?

Any crisis has the potential to jeopardise the functioning of an organisation and therefore crisis management is necessary, understood as a set of factors used to combat a crisis and

mitigate the losses that may arise. A sample model of crisis management according to Coomb's is given on the scheme:

Pre-crisis Phase	•Recognising signals •Developing crisis plans •Preparing for a crisis •Crisis prevention methods
Crisis Phase	•Recognising the crisis •Information and crisis communication •Implementing the CPM crisis management plan •Response actions
Post-crisis Phase	•Evaluation of the response to the crisis •Image repair strategies •Organisational learning

Chart 31. Coomb's model of crisis

Source: (Starosta, 2016)

Crisis management plan - CMP

A crisis management plan - CMP - describes the company's strategy in the event of a crisis situation. It should define the roles and actions of individuals. Its objective is to minimise the damage and get the company back to normal as soon as possible.

A crisis management plan is a dynamic document that your team can review and update frequently. There are many ways to prepare it, but a crisis management plan usually takes the form of a checklist. In the event of problems, team members can tick off items that need to be done to resolve the crisis (https://asana.com).

Practical tip

A crisis cannot be accurately predicted and any company can be affected by one, so it is important to be aware of it:

- What type of crisis is likely to affect the company?

- How can we react to a crisis?

- Who can be involved in resolving the crisis?

Chart 32. Questions to ask in your risk assessment

Source: (https://asana.com).

Exercises

If you want to create a crisis management plan, use the steps below.

Chart 33. Steps in risk assessment

Source: (https://asana.com).

Remember, the most important thing is to make everything concrete. The best way is to write them down. You can use the table below.

No.	Step	Action	Result
STEP 1	Select the members of the crisis management team	Before you start planning for a crisis, select a team of leaders who will work together to produce this document. The team should include people who will carry out specific actions in the event of a crisis. Create it early so that everyone knows the details of your strategy.	*Names of the TEAM members*
STEP 2	Assess the risks	Start by brainstorming what risks could threaten your business. As mentioned above, you can begin this session by discussing common risks in your industry. Use a threat register to identify and analyse the likelihood of a particular threat. A threat register will help you avoid delays and prepare for potential complications. It will also help you visualise the most serious risks and prepare an appropriate strategy.	*The threats REGISTER*
STEP 3	Identify the impact on the business	Once you have identified the risk with the highest probability of occurrence, work with members of the crisis management team to determine how it will impact your business. Each risk will have a different impact, so analyse them separately. The potential impact on the business could include customer churn, reputational damage, delayed sales, loss of revenue or fines.	*Determining the CONSEQUENCES of a risky situation*
STEP 4	Plan a strategy	For each threat detected, determine what action your team should take to deal with it. Let's say you work in the software industry and your company becomes the victim of a cyber-attack. In this case, you may need to appoint people to secure the network, inform customers and assess the damage that has occurred.	*Inventory of post-emergency ACTIONS (PROCEDURES)*
STEP 5	Concretise the plan	Once you have discussed the risks to your business and their impact on your business, and planned for action should they occur, it is time to put the plan into action. A crisis management plan is more than a written or verbal strategy. It should include key elements such as an activation protocol and who to contact in an emergency, which we describe in detail below. It will also need to work with key stakeholders so that everyone knows what needs to be done and when.	*Inventory of post-emergency PROCEDURES and DOCUMENTS*
STEP 6	Review the plan and update it as necessary	When the emergency management plan is complete, review the final version to ensure that nothing has been left out. Review the plan carefully and update it at least once a year, as potential risks may change over time.	*REVIEW of the plan*

Practical tip

Use the Checklist to ensure that nothing has been overlooked in your crisis management plan.

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Crisis management plan checklist

✓	Risk analysis	**Outline potential risks** and put them in order of probability
✓	Response procedures	**Identify the roles and responsibilities** of each person when a crisis occurs
✓	Activation protocol	**Determine when action should be taken** if a crisis occurs
✓	Communication strategy	**Assess who delivers information to the public** and who handles feedback
✓	Emergency contacts	**Include a list of emergency contacts** to speed up the response process
✓	Post-crisis assessment	**Remember to follow up and assess** what went well and what didn't

Chart 34. Risk assessment checklist

Source: (https://asana.com).

Practical tip 💡

In order to solve a crisis, it is necessary to know its causes. To identify the causes of problems (in this case, the causes of the crisis), a cause-and-effect Ishikawa fishbone diagram can be used ([CLICK HERE](#)). You can create it by yourself.
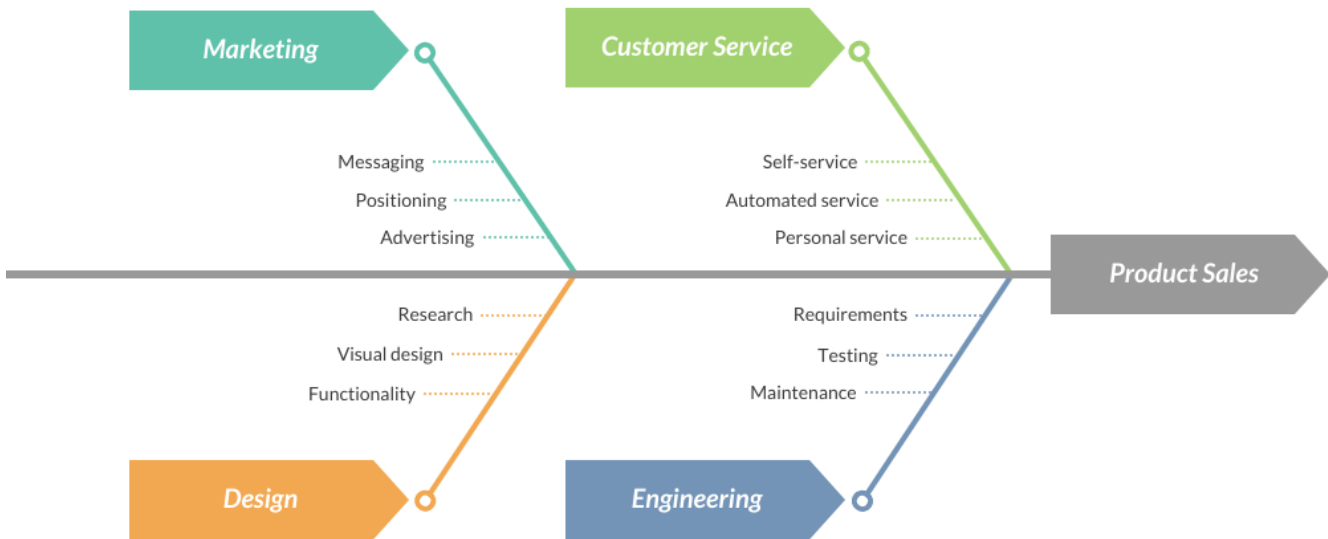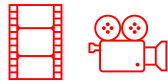
Chart 35. Ishikawa fishbone diagram

Source: (*https://venngage.com).*

Using the fishbone diagram :

- the main problem to be solved (e.g. a crisis in a company) is formulated, the wasp is the 'head' of the fish (labelled in the diagram as: cause);

- the backbone of the fish is the main groups of causes that can influence the emergence of the problem

- the backbones identify the specific causes belonging to the respective group of causes.

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Watch the video

Fishbone Diagram Explained with Example - (CLICH HERE)

How do you recognise a customer/contractor relationship crisis?

Sustainable customer relationships are a fundamental determinant of a company's survival and growth in a crisis.

Bibby Financial Services has developed 5 tips for recognising a relationship crisis with a regular counterparty that should not be underestimated:

Late payment of invoices - this is usually one of the first signs of a bad situation on the part of the client. If this is the case, it is worth verifying the reason for the delay and, together with the client, finding an optimal solution for both parties;

An attempt to change the provisions of the contract - this may mean that the company's offer is no longer attractive enough. Failure to decide on the continuation of the relationship may be because the trader is looking for a new business partner;

Delays in the provision of services or goods - this is one of the more troublesome symptoms of a deteriorating relationship with a business partner from the entrepreneur's perspective. It causes difficulties in running one's own business and leads to a shaky correlation with counterparties; for the sake of business, this should not be ignored;

Notorious cancellation of strategic meetings - can be a sign of a deteriorating relationship or, worse still, a signal of instability in the client's business. Of course, you cannot generalise and treat a single case as the rule;

Deteriorating client relationships - indicates problems in the relationship between business partners. It is very important to identify what caused the problem and to analyse what can be done to improve the relationship.

Chart 35. 5 tips for recognising a relationship crisis

Source: (https://networkmagazyn.pl)

Practical tip

Entrepreneurs should realise that every review, even a negative one, is an opportunity for a positive scenario for the company. Thanks to them:

- You will better understand your customers' needs and objections.

- Find out what you can improve in your offer.

- Show that you are a brand that cares about your customers and their opinions.

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- By responding appropriately, you ensure additional reach.

- You will turn discussants into customers and customers into ambassadors for your brand!

How to nurture customer relationships in times of crisis - the role of brand and loyalty

In times of crisis, brand loyalty plays a very important role. Customers who are loyal to a brand and have confidence in a particular company and its product will stay with a company through difficulties and crises. Research confirms that in times of crisis, consumers look for the security and reassurance that a good, stable and proven brand provides. This is why investing in the brand plays such an important role in the process of managing customer relationships in a crisis, making it possible to create a unique, unrepeatable and distinctive bond with the consumer. This bond makes it possible to build a sustainable competitive advantage based on loyalty. A company with loyal customers is much less likely to lose its position in difficult times, as they are less likely to abandon their preferred brand in favour of others. The benefits of customer loyalty include:
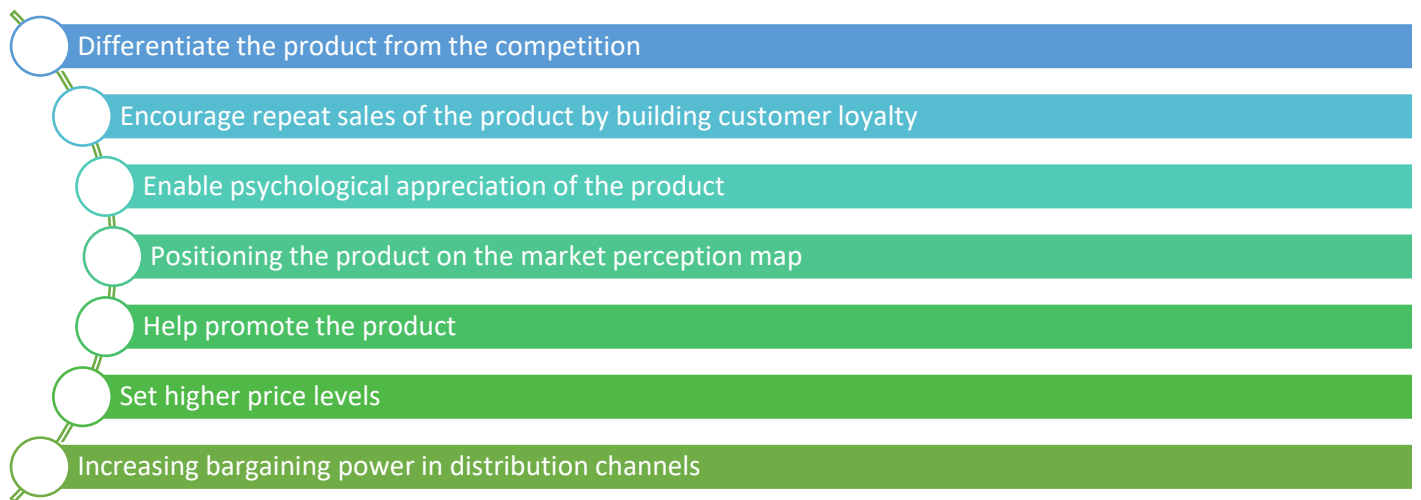
- Differentiate the product from the competition
- Encourage repeat sales of the product by building customer loyalty
- Enable psychological appreciation of the product
- Positioning the product on the market perception map
- Help promote the product
- Set higher price levels
- Increasing bargaining power in distribution channels

Chart 36. Benefits of customer loyalty

Source: (Domagała et al., 2010)

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Practical tip

Every company cares about its good reputation, about positive opinions about its products, services. A good tool for monitoring opinions about a company is Brand24 ([CLICK HERE](#)), which allows you to keep track of mentions of the company and its products appearing in social media (on Facebook, Instagram, Twitter, YouTube and much more), forums, blogs, news sites and other publications on the Internet. With Brand24, the entrepreneur gets the monitoring results in real time in the mobile app on his/her smartphone or tablet.

By knowing who, where and what is being said about the company, it is possible to react in real time to critical opinions (positive ones too), consciously build relationships with customers and prevent crises.

Brand24 also helps you reach potential customers and encourage them to use your company's offer. The service automatically determines the sentiment of a found comment, so you immediately know whether it has positive, neutral or negative overtones . It is possible to test the services offered by the company free of charge.

Times of crisis are a real test for companies and their brands, both globally and locally. In a difficult situation, consumers choose the products of the brands they know, are attached to, loyal to and trust. They are less willing to experiment, less open to new things, especially when it comes to essential goods and services. They are more likely to give up what they can do without or what does not offer them a clear benefit. The situation is different for products and services on which they depend. Timeless brands that represent universal values and the highest possible quality at the best possible price should not fear a decline in value. Prestige brands, which emphasise the uniqueness of their products and services and stimulate demand, also appear to be crisis-proof brands. The role of local brands also increases in times of crisis, as consumers are more familiar with them than with international brands. Local brands are often perceived as simpler and more practical, which increases consumer confidence, and a decentralised brand management strategy strengthens the company's ties to specific markets.

Example

Companies producing exclusive clothing have been struggling with financial problems for years. The pandemic additionally worsened the situation, reducing the income of these companies by up to 70%. Many of these companies could not withstand the crisis, some started producing masks. Some used special adaptation strategies to help overcome the crisis. Luxury stores relied on direct contacts, offering customers "luxury experiences". When recreating a store online

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in the online world, the website must reflect the personality and style of the brand in every detail, image and text. It should not only be used to mediate transactions, but is intended to create a community around the brand and become a tool for interaction with the customer and the product. Great emphasis should be placed on active communication and maintaining close relationships with customers. Some brands have started to promote sustainability by promoting, for example, recyclable, eco-friendly or natural materials. Many people started lobbying for environmental protection and sustainable development. Online fashion shows were also organized, famous people were engaged to advertise their products, and product placement was used in a special way (e.g. characters from movies, even cartoons, wore clothes of famous brands, famous designers). The inability to try on products in-store led brands to create software that allowed potential customers to virtually wear their products. The application of the principles of relationship marketing, and especially strengthening customer-brand relationships, has enabled many companies to retain customers and increase interest in luxury brands again (after the pandemic) (Baba & Nastase-Anysz, 2020).

During the crisis caused by the COVID-19 pandemic, most direct relationships, often built over years, were severed or limited due to movement restrictions or the need to close many companies. However, entrepreneurs tried to maintain contact with their customers, for example by delivering products directly to customers' homes. Many companies, out of necessity, started or significantly developed their activities online, which often turned out to be a great challenge. It is certain that during the crisis, entrepreneurs should not neglect issues related to building and maintaining high-quality relationships with their clients. They should take care of product diversity, correct and good communication, and monitor the quality of customer service (Podgórski, 2020).

Example

Tourism is an industry that has been hit hard by the negative effects of the COVID-19 pandemic. However, travel agencies that managed to make money even during the lockdown are those that decided to use this time and offer unusual, innovative forms of traveling and sightseeing. Therefore, they proposed, for example, one-day trips with clearly defined themes or special purposes. Rural tourism, ecotourism and adventure tourism were also developed. Social distancing has prompted people to avoid crowded areas, famous monuments, escape from the city and choose secluded, naturally attractive areas. Customers (tourists) were also given the opportunity to "travel at home", i.e. museums offered "virtual walks", zoos organized personalized sessions with animals online, culinary or creative workshops were offered online (Baba & Nastase-Anysz, 2020).

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Practical tip

During the crisis, you should take special care of good customer relations. Their attachment and loyalty will help overcome the crisis and may improve the deteriorating condition of the company. The loss of even one key customer by an entrepreneur from the SME sector may mean a significant deterioration of the financial condition of his company.

QUIZ - Relationship marketing in the customer service process

1. No crisis can be accurately predicted: <u>TRUE</u> / FALSE
2. Even the best customer relations do not have a positive impact on overcoming the crisis in the company: TRUE / <u>FALSE</u>
3. Even a crisis can become a source of new opportunities for the company (e.g. the crisis caused by the COVID-19 pandemic): <u>TRUE</u> / FALSE
4. "Crisis" and "crisis situation" are the same concepts: TRUE / <u>FALSE</u>
5. CMP is a crisis management plan: <u>TRUE</u> / FALSE
6. The fishbone diagram is used to identify the causes of problems (this is a cause and effect diagram): <u>TRUE</u> / FALSE
7. Even negative customer opinions about the company can be used - thanks to them you can, for example, find out what should be changed in the approach to the customer and in relations with him: <u>TRUE</u> / FALSE
8. Investments in new machines play a very important role in the process of managing customer relations in times of crisis: TRUE / <u>FALSE</u>
9. Companies that have a group of dedicated, loyal customers have to be much less afraid of losing their position even in times of crisis: <u>TRUE</u> / FALSE
10. In difficult and crisis conditions, customers are more willing to choose new, unknown brands: TRUE / <u>FALSE</u>

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