



Office Management

Getting And Keeping Customers In This E-Era

by Lynda Drews

(NAPSA)—On the Internet, the customer rules. As e-business continues to raise the bar on customer service, keeping customers loyal is more of a challenge than ever for companies of all sizes, but especially for mid-sized manufacturers, retailers, and wholesalers.

New ways to promote and sell a wide variety of products, and faster channels of distribution are changing traditional industries and forcing retailers to develop new methods to differentiate their brands and increase market share.

Lillian Vernon Corporation, a leading specialty catalog and online retailer with annual revenues over \$240 million, first saw the potential of the Internet in 1995 and established an online store. The Web site has helped to increase sales and attract new customers. More recently, Lillian Vernon needed new technology that could deliver superior customer service and customized products.

Companies like Lillian Vernon are transforming the sales, marketing and customer service processes into an integrated, customer-driven operation. This rapidly evolving approach to identifying, developing and retaining a company's prime customers is called customer relationship management or CRM.

The strategic objective of CRM is to build profitable relationships with loyal customers. Companies will be able to communicate personally, and deliver the right products at the right time.

Lillian Vernon operated two distribution centers. One center handled personalized items while the other handled bulk items. Splitting orders between the two facilities was costly and inefficient. Outdated PCs compounded the problem of record keeping and tracking.

When the company combined the two buildings into one massive facility, it turned to IBM to develop systems that could process orders and integrate their customer records that are essential to building profitable relationships. The company continues to use IBM technology to simplify processes and improve the management of information.



Customer acquisition, development and retention are the three keys to Customer Relationship Management.

Customer Relationship Management Focuses on Acquisition, Development and Retention

CRM systems focus on three goals:

- Customer acquisition: Locate and attract prime customers.
- Customer development: Deliver exactly what customers want and strengthen the relationship through marketing and service.
- Customer retention: Gather customer information to target promotional offers, and continually recognize their individual needs as consumers.

Companies must move beyond simply focusing on product, and instead focus on the customer. This allows companies to understand what customers want most, how they want it, when and where they want to buy it and how they prefer to pay for it. This valuable data can increase satisfaction, build loyalty and boost customer spending.

This is particularly true for the approximately 60,000 companies that make up the midsized market. These companies accounted for only 15 percent of e-business spending in 1998. Now it is up to 53 percent. Midmarket companies realize supply chain solutions are crucial to their success.

While the Internet is changing the way companies interact with customers, they still need to treat them as individuals through direct, personalized communications. That's why CRM and the right technology are key.

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