

3 Recommendation section

The recommendation section consists of a number of split recommendations. The recommendations will be divided so that it is possible to get a separate overview of each single proposal.

The recommendations are divided into 3 sections:

1. Description
2. Economic importance
3. Evaluation

The description will include an explanation of the recommendation. It includes what the recommendation effects, how it should be implemented and how it should be performed.

In economic terms, what the recommendation is expected to have of economic consequences is included. It is difficult to deliver a real budget calculated in precise DKK. Only in one of the recommendations is a real expense, the rest of the costs are associated with working hours. Likewise, the profits are hard to make up in precise DKK. Instead, a description will be given of the expected working hours the recommendation will require and the significance it will have.

The evaluation will be based on a worst case scenario. So it is possible to see what impact the recommendations have if they get the desired effect or what the disadvantages of the recommendations could cause.

In this way, the reader gets a full overview of the recommendations and the possible consequences it will have for AW Media in the future.

3.1 Selection of relationship marketing program

3.1.1 Description

AW Media's choice of marketing program is important in terms of maintaining customers. Happy customers come first and foremost through good results, but as can be seen in the section on Relationship Dynamics, the relationship also has a big impact on how successful customers can be maintained.

There are three different types of relationship marketing (RM) programs that AW Media can use to strengthen the relationship with its customers:

- Social RM programs
- Structural RM programs

- Financial RM programs

AW Media has the opportunity to take advantage of all three options, but not all will have the desired effect. Here's a review of the three possibilities, and the way AW Media is best able to utilize the individual programs.

A social RM program can be conducted by for example to take the customer to sports events, or go to the golf course or take them out for dinner or that sort of thing. There are only a few of AW Media's customers who can justify such consumption. Customer spending is simply not big enough for this kind of RM to pay off.

Social programs can also be conducted by communicating frequently. The frequent communication should help to personalize the relationship. Communications must be highly customized and make the customer feel in a valued position. At the same time, frequent communication also leads to a deeper understanding of the customer and what they want from the relationship and how it is best performed. With the frequent communication, there will typically also be deeper trust between the parties, which is so important for the quality and durability of the relationship.

One way for AW Media to make the customer feel valued is to bring more employees to the personal meetings. Eg. If a customer buys SEO, the SEO manager can also be included in the meetings, instead of only being the key account manager. It may also be useful to take the customer manager or CEO to meetings, just to show the customer that they are therefore highly prioritized. However, it is a consideration of the importance of the customer in terms of how much time is invested in the relationship. Appendix 5 shows a situation where the customer feels increased commitment from AW Media's side, as CEO also participates in the meetings.

A structural RM program is designed to increase the productivity of the collaboration and make the relationship more efficient. For example, By making a more efficient ordering system. Is the order system for example electronically, and it can be arranged quickly and efficiently creating value for the customer. At the same time, it will also make the collaboration more effective for AW Media. It can also be automatic reporting, or similar actions that the customer appreciates.

A structural RM program typically does not have a high rate of return in the short term, but is a longer-term action. Is there for example if first introduced a better electronic ordering system, there is not a big change in efficiency, but the improvement is permanent and has streamlined this process for the rest of the life of the relationship.

As mentioned in the customer interface, AW Media already uses ongoing written reporting to specific customers. It takes the form of setting up Analytics reports, SEOMOZ reports and SEO reports. Analytics and SEOMOZ only require setup once, while SEO reports must be compiled by themselves.

A financial RM program is being made to give the customer financial benefits. There may be discounts, free hours, extended payment periods or similar things.

One problem with the financial RM programs is that it is easy for competitors to match. If you lower the price by 10% over a period, it is very easy for competitors to do the same. If so, the result is that both have received 10% less payment.

A financial RM program is a more short-term solution, and can help maintain some customers in the short term, and even get some new ones in, but it does not give a company a sustainable advantage over its competitors.

When AW Media has to decide which RM types to use, it is important to consider how resources are used best. Some customers are more receptive to RM efforts than others, so it is important to find these. The customers who are very interested in building a strong relationship are the company with high relationship orientation (RO). Studies show RM efforts against companies with high self-reported RO have the biggest impact. The same study also points to another important element. It points out those companies with a low RO want efficiency. According to the survey, customers with low ROs were willing to switch 21% of their operations to another company with the same product, if all was done automatically through electronic systems.¹

Therefore, at the first information gathering, AW Media should determine a customer's RO. Although it may seem like a strange question from the customer's point of view, the survey says that there is a big difference between customers and it is important to target its RM efforts. The answer to this is an important contributing factor to AW Media being able to decide which RM efforts they should provide towards individual customers.

For customers with a high RO, it is recommended to run a social RM program. The social RM program must consist of frequent communication with the customer. Communication should consist of continuous evaluation, reporting of results, budgeting, exchange of ideas, future action plan and the like. As mentioned, it should lead to increased understanding of the customer and the building of trust between the parties. There are two things that are not easily copied by a competitor.

In order to strengthen the relationship, relevant employees can also be brought from production. Eg. customer manager or CEO to show that the customer is prioritized highly. However, it is important to consider how much time to invest in the relationship. Eg. Weighting in - time spent / return given. Is it for example a customer with high RO, but only with an order of 5,000, it is too much to meet up with 4 employees.

For companies with low RO, a structural RM program is the best solution. Here it is prioritized that the collaboration works efficiently without any waste time. With SEO and Adwords customers, things like automatic reporting are weighted high.

AW Media already has a well-functioning reporting system, and it should only be maintained.

Generally, for lead generation customers, RO will be lower, as cooperation is more of a transactional nature. Lead generation customers are therefore slightly different, and should not have the same

¹ Business marketing management:b2b page 83

reports, but efficiency is still highly prioritized. Increased efficiency can be achieved by providing AW Media's customer with all the customer information(lead information) they need to make an offer at the customer's request.

Example from udlejningspriser.dk, which leases parties, services, tables and chairs, etc.: In order for a landlord to give a precise offer for the rental of equipment for a party, the landlord must have specific information about:

- Address
- Number of persons
- Size of the tent
- Use for service
- Use for tables and chairs
- Use of music systems, etc.
- Use floor
- Other wishes

Can AW Media provide precise information about the customer so that the landlord does not even need to contact the customer, this will be appreciated. This will save the customer a lot of time by not having to contact the customer and obtaining this information.

The improvement of the information will be by expanding the questionnaires to the leads when they are typing in their information. What issues to be included can be determined in cooperation with the lead takers, and by looking at the questions the leads typically state.

To many of the lead generation customers, for example. Here at tents, this is a routine purchase from the landlords. The shoppers lead month after month, without the need for a lot of effort from AW Media. There is therefore a good relationship between work and profit. Therefore, it is essential for AW Media to deliver this information as accurately as possible and that the lead has as good quality as possible so it remains a routine purchase.

3.1.2 Economic importance

In this case, it is impossible to make a real budget. In the end, the benefits should be better customer satisfaction, which leads to better customer retention and thereby increase in revenue. The costs will consist of several working hours for AW Media employees.

The costs that can be expected are that the social program will take more communication with the customer, which will require more working hours. How many hours to be spent exactly cannot be set at the overall level. As mentioned above, there is something to be considered for each customer.

To improve lead generation, better information about leads must be gathered. So that the questionnaires for the leads should be elaborated, this will require working hours to complete.

In order to measure the effect of customer retention, it requires that you have a starting point to start from. For example, if AW Media knew that 10% of their customers did not extend the cooperation, a target could be set that this should be improved so that only 5% of customers did not extend the cooperation.

3.1.3 Evaluation

This proposal will lead to some improvements. By asking the customer about its RO, it will be easier to determine which type of RM program should be directed to each individual customer. This makes customer management better suited to every customer. This will lead to better customer satisfaction, thus increasing the level of customer retention.

Turns out that some SEO and adWords customers have low RO, working hours can be saved in less communication. These customers want an effective relationship and will be pleased with the written reports.

Improving the information gathered by lead generation will also improve customer satisfaction, thereby increasing the chances of maintaining lead customers.

In the worst case scenario, this proposal will lead to additional hours without increasing customer retention. Work has been done in vain to increase customer satisfaction, and if it is without an effect it has made work more inefficient.

3.2 Introduction of a new CRM system

3.2.1 Description

The introduction of a new CRM system is the most tangible change of the recommendations. This will affect the workflow of all employees in AW Media, and make them use a new program every day.

The introduction of the new CRM system will mainly take place in order to get away from the use of the three independent systems used today.

The new CRM system will be ZOHO CRM. In order for ZOHO CRM to be implemented successfully, it requires that all customer data will be moved to the new system from the old one. In addition, testing of the new system will be necessary.

Practically, the switch is made to ZOHO CRM by opening an account at ZOHO CRM. ZOHO CRM is a cloud service and has all its information online. The actual relocation of all relevant customer data is estimated to take about 80 - 100 hours. Some of the move can be done by AW Media's programmer who can draw some data between the old and new system. The rest of the move will be done manually and will be simple copy paste work.

In addition, there will be both a test period and a period of rehabilitation. Testing the system is done to find out the exact features desired by the system. The testing of the system is estimated to take 20-25 hours and will include CEO, Production Manager and SEO Manager.

The time it will take to get use to the new system is difficult to assess on a timely basis. Adoration to a new system will always require a period to get use to new system and will reduce efficiency for a period. It is estimated that adoration to the new system can take about 3 hours per Employee².

After ZOHO CRM has been implemented, it has a lot of benefits. The probable greatest benefit is that it is expected to reduce administration time by approx. 30%³. Since all data can now be found and entered in the same system, it will be easier for all employees to navigate the system. Now that all data is collected in one place it will also cause fewer mistakes in communication between the sales and production department. This will help to increase the quality of the work they deliver.

The system will also make it easier to record time spend on each customer, and thus the cost per Customer could be more accurate.

ZOHO CRM also has the advantage that it works with Google Drive, which is the daily work system in AW Media.

In general, the purpose of ZOHO CRM is to facilitate administration, but also provide a better overview of both customers and the entire AW Media organization. This may help to highlight issues or opportunities previously unknown to AW Media⁴.

3.2.2 Economic importance

As mentioned, there are some costs involved in implementing ZOHO CRM. There is the tangible entry of 110 dkk. It is estimated that AW Media currently will need 10-12 users on ZOHO CRM. So the monthly expense of between 1100 - 1320 ddk.

In addition, working hours must be devoted to testing, data transfer and refurbishment. The test is estimated to take between 20 - 25 hours, data transfer 80 - 100 hours, and 3 hours per employee. It provides a total of 100 to 125 hours for testing and data transfer, and 45 hours for rehearsal⁵.

The benefits of the new CRM system are first and foremost the savings in administration time. It is estimated that each employee at AW Media, uses approximately 1 hour daily on administration. That is about 75 hours a week, distributed among the 15 employees. Reduces this time by 30%, it corresponds to 22.5 hours each week.⁶

In addition, there are other benefits described earlier, but it's hard to make a precise price on these.

² Appendix 9

³ Appendix 9

⁴ Appendix 9

⁵ Appendix 9

⁶ Appendix 9

3.2.3 Evaluation

The implementation of ZOHO CRM may potentially have a number of advantages and disadvantages.

In a best case scenario, the implementation runs smoothly. The testing, relocation and rejuvenation of the new system has taken place within the planned number of hours. The faster navigation inside the system means that administration time has been significantly reduced. This means that working hours have been released for other tasks.

The relationship between the sales and production department has been improved and there is no errors in communicating a customer's tasks. This will improve customer satisfaction.

The improved registration of working hours and customer management has provided a better overview of tasks for each customer, the needs they prioritize and the amount of costs associated with serving them. It helps to provide a basis for better internal analysis, and future decisions will be taken on the basis of more well-documented information.

Also included in the evaluation is that the shift to ZOHO CRM is a permanent step. The working hours used to switch systems are only done once, while the improvements are permanent.

In addition, the amount of customer data grows daily. Therefore, a postponement of the shift will only add additional data to be moved.

The implementation of ZOHO CRM can also have a number of unfortunate consequences. The testing of the system and the transfer of data does not proceed in a timely manner. It will cost considerably more hours to get the system done.

The system has not improved anything but has secured a fixed cost of between 1100 - 1320 dkk per month.

3.3 Information collection and customer data

3.3.1 Description

Information collection is a minor point in most companies, but it is important to make the right decisions. With the right information available, AW Media has better opportunities to analyze its customers and their own processes. With a fair amount of money, AW Media could gather and use their data better.

The ease with this recommendation is that AW Media already has the information, they just need to be assembled in such a manner that it can be used in a sensible way. Previously, AW Media has made both a profit analysis of the individual departments and a ranking of their customers (Appendix 7), and based major decisions on them.

With their own information useful information could be provided on the following:

- Which product is most profitable?
- Which customers are most profitable?
- How many customers do not resign the cooperation?
- Which sales channels work best?

Profitability of the products must be calculated according to working hours / returns. In order to calculate this, better timer registration is required. It requires employees to record how much time they spend on each customer. In the performance of AW Media's work, there are no fixed costs as such.

The improved time registration will also mean that profitability can be calculated on individual customers. This will mean that AW Media can see clearly when a customer no is profitable.

To compare the number of customers who do not resign their contracts is just printing out the statistics. It is already registered who are customers and therefore it should only be registered if someone doesn't resign their contract. The result could be used to see if there is something strange to note and if one's efforts to improve customer retention work.

It is also exciting for AW Media to see which sales channels their customers are from. Simply register it when the customer is started up. It will not necessarily create some groundbreaking information, but can be used to better understand the customers, and if some sales channels are ineffective.

So the only daily extra administration will be the time registration of working hours. The analysis could be made every quarter or half year, according to what is considered most useful.

3.3.2 Economic importance

In connection with the extra time registration, a little administration time is used. The SEO department is already registering time. It takes about Between 5 - 10 minutes, to record the work daily⁷. A similar number of minutes can be assumed to apply to remaining employees.

There is no direct profit associated with information collection, but it can be used to make more informed decisions in the future.

3.3.3 Evaluation

In the best case scenario, information collection is easy and does not reduce the daily work. At the same time, the overall information can be used to make good decisions. The information has helped AW Media get a better understanding of themselves and their customers and shows which customers and actions are profitable.

In the worst case scenario, it just adds an unnecessary bureaucratic action. Time registration is difficult and lowers your daily work. At the same time, the information is not used for any purpose and therefore has no real benefit.

⁷ Participating observation

