

# Customer Relationship Management

## What is CRM?

CRM stands for Customer Relationship Management. It is **a way of learning** more about your audiences' or customers' **needs and behaviours** in order to develop **stronger relationships** with them.

While many businesses use CRM through a technological component, it is far more effective to think about CRM as **a process that will encompass all information about your audiences**, sales, marketing effectiveness, responsiveness and market trends.

### The Essence of CRM

To ensure you recognise the value of your audience and to capitalise on improved customer relations.

### Why is CRM important?

- It's essential to retain existing customers and to expand your audience.
- It's expensive to find new customers.
- CRM provides you with an insight into the behaviour of your audience and can aid you in modifying the way you work to ensure your customers are served in the best possible way.

## CRM is achieved through

- Finding out about your audiences **purchasing habits, opinions and preferences**.
- **Segmenting and profiling** individuals and groups to market more effectively and increase attendance or participation.
- **Changing the way you operate** to improve customer service and marketing.

**CRM does not solely rest upon the right software. It is about adapting your business to the needs of your audience.**

## Worth the effort...

Implementing a CRM solution can involve a considerable amount of time. But there are so many potential benefits:

- **Increased sales or attendance** through better marketing timing based on anticipated audiences needs;
- **Identifies needs more effectively** by understanding specific customer requirements;
- Can enable **cross-selling or cross-promotion** of other services, products or events by highlighting and suggesting alternatives or enhancements;
- **Identifying** one-off attenders, infrequent audiences, repeat audiences, potential supporters.

**Information generated from a well-implemented CRM solution will allow you to better market your events, venues, or products.**

## To be effective today you need to focus on:

- **Effective targeted marketing** aimed specially at the customer's interests and needs
- A **personal touch** and the development of new or improved events, programming, services or products to win future audiences.

## Why are we doing this?

A CRM system allows you to be more effective in marketing and audience development as it **consolidates your contacts** in one place.

It could ultimately lead to:

- Enhanced **customer satisfaction** and **retention**, as your good reputation grows
- Increased **value** from your existing customers and **reduced costs** associated with supporting them
- Improved **profitability** by focusing on the loyal customers and dealing with the one-off attenders in more cost effective ways.

For more information or advice please contact Marcus Wilson

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Customers are changing and technology is making it easier to find out more about your audience.

## Types of CRM

There are plenty of off-the-shelf, bespoke or managed CRM solutions you can buy into, these will no doubt be costly, require funding or fundraising, and are more suited to large-scale commercial led enterprises.

For arts and cultural organisations there are a number of different CRM systems which you can implement at no cost at all.

- **Databases:** using databases such as Microsoft Excel is a **great starting point** for collecting information on your audiences. However, this is a manual process and is not the most effective or efficient way of managing audience data.
- **Audience Base:** A free, downloadable, software system designed by HI-Arts for the arts and cultural sector, Audience Base allows you to **electronically capture audience information** as well as **make bookings** for your events or shows. Audience Base can be adapted to work for all arts and cultural workers and volunteers including; promoters, museums, galleries, and venues.

## eCRM

Electronic Customer Relationship Management or eCRM is a way of managing your customer or audience relationships using the Internet, emails or other online platforms.

## How can you use eCRM?

**Tip:** When taking people's emails for mailing lists consider what other information you could be asking, particularly postcode, gender, and age.

- **Mailing Lists:** The simplest of eCRM solutions is an online mailing list through your website.
- **Online CRM systems:** software companies have developed simple, often free, online systems you can sign up to, and use as your CRM system.

Sites such as [www.freecrm.com/](http://www.freecrm.com/) allow you to input your contacts, use integrated email campaigns, track sales, and manage customer service. Often these sites will offer a free edition with upgrades, at a cost.

- **eMail Shots:** online mass emailing solutions such as [www.mailchimp.com](http://www.mailchimp.com) and [www.constantcontact.com](http://www.constantcontact.com) allow you to import your contacts database and send out customised emails. Most offer a free edition, with options to upgrade at a cost.
- **Social Networking Sites:** Sites such as [www.facebook.com](http://www.facebook.com), and [www.myspace.com](http://www.myspace.com), can be used as a form of eCRM. Encourage people to become 'fans' of your pages, which will allow you to directly marketing to these individuals on a one-to-one, more personal, way.

### Tip: Email Shots

If messages are not relevant then they are disruptive. Messages need to be pinpointed to make them effective.

## Structured eCRM

If you decide to implement an eCRM strategy it is important to plan your marketing and audience development strategy first. For more information on researching your audience and writing your marketing plan see Tip Sheets: Research and Marketing Plan.

**The challenge is to offer communication and information on the right topic, in the right amount, and at the right time.**

## eMail Shots

eMail campaigns are becoming a **fast and effective tool** of marketing and audience development. The benefit of email campaigns is that **you can really target and structure your mail outs**, which is often costly and difficult through print. Target your emails in a **variety of ways** for instance to key groups, to certain demographics, to those in geographic locations, or through attendance.

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Below is an example of a structured eCRM email campaign structure based on attendance to a ticketed venue or event.

Type of Customer	Type of email
Subscriber to mailing list	Welcome note, with introductory information Email with wide selection of what is on offer
First time attendance	Welcome note, with introductory information Email with wide selection of what is on offer. An 'after experience' questionnaire. Follow up with some questions about their first experience.
Second attendance	More general information. Now with more data collected you can begin to tailor future emails.
Attending 3 or more times	Bolder messages. Offer rewards. Opportunity to involve them in the organisation, encourage their opinions. Potential to turn into a supporter.
Dormant customer* (eg 12-18 months inactive)	Be gentle. Ask them why they have not been engaged with a quick questionnaire. Address any issues which emerge and notify the customer of this. You may need to revise your communication strategy if they have not engaged with your organisation since that first attendance.
Sleeper customer* (eg 18+ months inactive)	Can be more direct, it's easier then trying for a new customer. Potentially offer a discount or incentive.

\* You should define your 'dormant' and 'sleeper' customers for your own organisation.

## Potential drawbacks:

- Effective CRM will not work if there is a **lack of commitment** from within the organisation towards implementing a CRM solution. **Adapting to a customer-focused approach** may require a cultural change.
- **Poor communication** can prevent efficiency. All relevant people in your organisation need to know what information you need and how to use it.

## Don't Forget Data Protection!

- **Personal data collected can only be used for the specific purpose for which it was collected.**
- **Data must not be disclosed to other parties without the consent of the individual to whom it is about.**
- **Individuals have the right to access the information held about them.**
- **Organisations holding personal information are required to have adequate security measures in place such as technical measures i.e. firewall and organisational measures i.e. staff training.**

For more information on Data Protection visit

[http://www.ico.gov.uk/what\\_we\\_cover/data\\_protection.aspx](http://www.ico.gov.uk/what_we_cover/data_protection.aspx)

## Links and additional Information

- [www.freecrm.com](http://www.freecrm.com)
- [www.mailchimp.com](http://www.mailchimp.com)
- [www.constantcontact.com](http://www.constantcontact.com)
- [www.facebook.com](http://www.facebook.com)
- [www.myspace.com](http://www.myspace.com)

## Audience Base

- [www.hi-arts.co.uk/audiences](http://www.hi-arts.co.uk/audiences)

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