Caribbean Tourism Organisation

Why CRM needs you?
C.R.M. stands for...

Customer
Relationship
Management
But how do you manage all these?
What is CRM?

Methods, software, telecoms and Internet capabilities that help an organisation manage customer relationships in an effective way.
Where are you coming from?

- Who is using any CRM?
- What types?
- How successful is it?
- What problems are you having?
- Are there obvious solutions?
- What are the barriers you face?
Why CRM needs you?

1. CRM needs “metrics”
2. CRM needs logic
3. You have these skills
Internet Tourism Growth

Forcing changes

Brian Gurnett
bgurnett@netlab.co.uk
1. “Instant” = NOW
2. Always on = 24 x 7
3. Pull not Push
4. “Customer-power”
5. Fast growing E-commerce
6. Online agents / operators
   Reviews + Price + Search
7. “Dynamic packaging”
8. “Mass” market => “Niche”
9. Shift physical assets => “Brands”
10. Government funding??
Why crucial, **NOW**, to **YOU**?

10 Major changes = 2 BIG questions for you

1. Now - what is the future for Tourist Offices as you know them?

2. Now – how can you help your’s access $?

CRM could be vital to its future
Benefit from CRM without the problems.

You will understand:
1. Shift of power to the customer
2. CRM - Benefits and Problems
3. CRM - Tourism Specifics
4. CRM - Getting more for your $
5. CRM - Getting started
6. CRM – Review of your S.W.O.T.
## 6 Your S.W.O.T. Notes

CRM in your own organisation

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
1 Shift of power to the customer
Now - everywhere is just a click away!!
Customers in charge?

“Herd”

= mutual strength

“community-empowered customers … such a dramatic change … it threatened the very survival of all businesses in all industries. The Economist

“this is the biggest change to business "...since the Industrial Revolution". Business Week
San Juan to Rincon--how best to get there?

Am going to Puerto Rico in the spring, flying into San Juan, but staying in Rincon for a week. What is the best (reliable and cheap) way to get out there? We'll be landing in the evening. What can we expect to pay if we take the tourist van (publico?)? Thanks so much for your help!

Trinidad and Martinique

Any good deals to be had on either of these islands. I have never considered a package deal but it might be worth putting it here any suggestions.
Real People Sharing Travel Advice and Experiences

Get real travel advice from real people like you.

Learn about places to go from people who have been there.

Share your experiences with free travel blogs.

Featured New Members:
- 09-27-2005 Alex
- 09-27-2005 Gandalf
- 10-03-2005 donghui
- 10-04-2005 Laura de lejos
- 10-04-2005 Jade and James

Most Popular RealTravel Tags:
- Adventure
- architecture
- art
- beach
- culture
- fishing
- funny
- golf
- good for backpackers
- good for couples
- great deal
- hassle
- historic
- nightmare
- real gym
- real spa
- surfing
- whale

Must See Travel Blogs:
- ddbartley on Mt. Everest
- Samba Sam on Australia
- Tracy on Barcelona
- Jenica on Mazatlan
- Wandering Muse on New Zealand
2 CRM
Benefits and Problems
What is CRM really?

Is it?
• Technology
• “Segmentation”
• Selling efficiency
• Advanced database marketing
• What is “customer-centricity”

“Almost anything that suggests customer-centricity”
Obvious benefits of CRM

- Not many for the **customer**
- Not much about **relationships**
- Mainly about “**marketing automation**” efficiency and cost reduction
Other benefits of CRM

Access to data by all “customer-facing” staff can improve:

- Customer quality experience
- “Up-selling” and “Cross-selling”
- Repeat or Return purchases
- Referrals to others

and **Profitability**
BUT high CRM failure

- Est. global CRM failure rates = 65%.
  Source: Gartner Group

- Most will fail:
  "to align management … and customer outcomes"
Causes of CRM failure

<table>
<thead>
<tr>
<th>Cause</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisational Change</td>
<td>29</td>
</tr>
<tr>
<td>Company politics and inertia</td>
<td>22</td>
</tr>
<tr>
<td>Lack of CRM understanding</td>
<td>20</td>
</tr>
<tr>
<td>Poor Planning</td>
<td>12</td>
</tr>
<tr>
<td>Lack of CRM skills</td>
<td>6</td>
</tr>
<tr>
<td>Budget problems</td>
<td>4</td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
</tr>
<tr>
<td>Software problems</td>
<td>2</td>
</tr>
<tr>
<td>Bad advice</td>
<td>1</td>
</tr>
</tbody>
</table>

Source
CRM-Forum
Technology is not CRM

- Plenty of CRM technology
- Wide range “off the shelf”
- Not many “techie” problems
- Need not be expensive
- Easily creates a “Barrier” to relationships
- “It’s all about what you do with what you’ve got”
CRM is far-reaching

• Affects **all parts** of the organisation which deal with the customers.

• Different departments in the organisation have **different expectations** from CRM.

• **It affects customers!**
Why is “aligning” critical?

1. Management expects results conflicting with customers’ requirements

2. Managers in different parts of the organisation have different expectations of:
   – Results they want
   – The type and amount of contribution they are expected to make
“Rear view” data problem

• Customer flew from UK on VIRGIN Atlantic and stayed 7 nights and was staying at the Jolly Beach resort in October 2005

• What does that tell you about his /her future as a customer of the Jolly Beach, of Antigua - or of VIRGIN Atlantic?

• What **future** value is such information?
Rear-view Mirror CRM

- CRM = lot of data about what customers have done
- Not much about what they WANT to do
- Would you drive your car that way!!
LOOK AHEAD
- **ASK !!** to find out where the customer wants to go !!
Benefits recap?

• What are the main benefits of CRM?

• For whom?
Problems recap?

• What are the main problems of CRM?
3 CRM
Tourism Specifics
Internet = preferred travel information source

- Web search: 65%
- Personal recommendation: 39%
- TV program: 24%
- Travel agent’s office: 22%
- Newspaper: 14%
- Other method: 5%
Site touristique officiel du gouvernement du Québec

Ministère du Tourisme Québec

bgurnett@netlab.co.uk
ISLANDS OF ALOHA VISITORS GUIDE

Aloha and mahalo (thank you) for your interest in Hawaii. To receive information, please click on the e-mail link below and provide your first and last name, complete mailing address, (including country), telephone number and e-mail address. Then click send, and your request will be fulfilled by Hawaii Tourism Europe, Hawaii’s official marketing representative for Europe.

Mahalo!

hawaii@hillsbalfour.com

bgurnett@netlab.co.uk
Target for Tourist Boards?

Customer = someone who **pays** for goods or services

Who are your customers?
- Government?
- Private sector tourism?
- Tourists?
- What are your goods or services?
“B2C” Tourist CRM

- B2C = Business to Customer
- Complex and lengthy decision
- Usually “Group” decision
- Multiple suppliers of each vacation
- Lengthy or no repeat cycle
- “Life-cycle” of vacation patterns
- Intermediaries
- Relevance
- Persuasion
“B2B” CRM

- B2B = Business to Business
- B2B = differences from B2C?
- Government and Private Sector differences?
- Differences inside Private sector
- How do you combine working for all of them?
Tourism Information
… a paid-for service?

Online Airline Guide [OAG] made more money than all the US airlines combined [2001]
4 CRM
Getting more for your $
WIIFM?

What’s In It For Me?

WIFI or the critical question in CRM?
The Plumber, the Bank Manager and the customer letter
Customer Relationship Management

OR

Customer Managing Relationship

OR

???
Right way round

Customers expect their relationship to be the right way round
Respect

- “Addressing privacy concerns will be a top business priority of customer relationship marketing”
- Who owns the data?
- Spam and “Phishing”
- Call-reject software and Telco systems
Request “active” permission

- Opting in
- Opting on
- Opting when
- Opting where
- Opting how
- Opting now

1. Customers only pay attention if it suits them.
2. So – give them a reason
3. Offer a benefit

Brian Gurnett
bgurnett@netlab.co.uk
Returning or Repeat?

- Customer lifetime value
- Give value to returning
- Make returning easy
- Woo them!
- **Personalisation or Customization?**
- Loyalty Programmes?
Referrals

• C2C Word of mouth
• Often said every complaint = retold to 10 people
• BUT how many times are good experiences retold
• Make opportunities and encourage
Real People

• 50% of impact is the way things are said, face-to-face interactions, and personal appearance.

• Staff development and motivation =critical
5 CRM
Getting started
5 stages of CRM Implementation

1. Strategic Development
   Where are we, What do we want to achieve,
   Who are the customers we want and how segment them

1. Value Creation

2. Multi-channel integration

3. Information Management

4. Performance Assessment

First 3 stages = Marketing
CRM planning is critical

• **Iterative** research / feedback with customers
• **Align** expectations of different departments
• **Map out** business processes
• **Iron out** any shortcomings

**before** jumping to a massive and expensive CRM implementation.
Internet data collection problem

- Customers don’t like giving personal details
- Requiring these **before** viewing information makes many leave website
- Many will still request **removal** from database after viewing
Vivid Interface

http://www.vividresearch.com/start.asp?c=120

Brian Gurnett
bgurnett@netlab.co.uk
Brain Juicer

- Online collection
- Online processing
- Qualitative
- Quantitative
- For NPD
- For Tracking

BrainJuicer combines the strengths of both

Robust Numbers
Rich Insights

Brian Gurnett
bgurnett@netlab.co.uk
Brain Juicing

• Buy respondents from specially recruited Panels even in China!
• Use own database of “opt-ins”
• Multi-lingual
• Multi-media – story-boards, web pages and TV ads
• Interactive and richer feedback
• Very fast and economic

• www.brainjuicer.com
## 6 Your S.W.O.T.

CRM in your own organisation

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Questions??
Get “A’s” for CRM Success

1. **Align**
   *internal and external expectations with outcomes*

2. **Avoid**
   *elephants on the road Look AHEAD*
“It ain’t what you do, it’s the way that you do it!”